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The Nation's Business

Why No Session of Parliament?

Prime Minister King has given no satisfactory reason why Parliament should be adjourned the day it convenes.

To say, as he is reported to have said at a press conference, that the international situation is "less anxious" is a pathetic excuse. It is unworthy of one who aspires to be the war leader of a great and aroused nation. It is in sharp contrast to the candid and courageous leadership of the British Prime Minister.

Speaking within a few days of Mr. King, Winston Churchill this week told the Empire frankly not to "dull for one moment the sense of the awful hazard in which we stand." He added:

"Do not let us lose the conviction that it is only by supreme and superb exertions, unwearied and indomitable, that we shall save our souls alive."

During past weeks many vitally important question about the effectiveness and direction of Canada's war effort have arisen. These require answering.

Does the Government wish to avoid these answers?

* * *

Nor is it good reasoning to argue that ministers cannot take time to attend parliamentary sessions.

Were policymaking divorced from the administrative end of war jobs (the need for this in the case of munitions and supply has been repeatedly urged) ministers like Mr. Howe would be freer to meet Parliament.

Another alternative would be the appointment of under-secretaries who would be available to answer questions in Parliament, thus freeing cabinet ministers for their chief job of policymaking.

What matters first and last is, of course, the extent and direction of Canada's war effort.

Most Canadians would welcome a parliamentary check-up at this crucial hour.

* * *

Gearing Industry To Defense

When President Roosevelt and Prime Minister King set up the Permanent Joint Defense Board it was stated that this would include matters of "material and supply."

Nearly two months have passed since the board was named, but there has been no evidence as yet that this vital phase of the Commission's work has been considered. Apart from the chairmen and secretaries, board membership is confined entirely to technical military experts.

There can be no complete coordination of defense unless and until the industrial capacity of each country is dovetailed into the military programme. Specifications in the manufacture of all types of armament, allocation to each country of armament jobs which each is best fitted to do—these are matters which require industrial knowledge and advice.

From Canada's Department of Munitions and Supply and from the Knudsen-Stettinius Advisory Commission in the United States there should be named representatives to the Defense Board. They should be men qualified to speak with knowledge and authority as to which rôle industry can play in this vastly important undertaking.

* * *

Government, Not Business Controls War Effort

Business should quickly be informed and reassured as to its rôle in curtailing civilian consumption to aid the war effort.

It is foolish to halt production, curtail advertising or reduce sales staffs unless and until an industry or product is specifically requested to do so by governmental authority.

Hit-or-miss efforts of this nature by individual business are as a rule of little economic value. They may actually hamper the creation of wealth to pay for the war.

In times like these, the lead and direction must come from government, not from individuals, if the nation's energies are to be channeled effectively into war production.

Business will be called on to cooperate and sacrifice, of course. It is not called on to drop its tools merely because it is producing or selling so-called "non-essentials."

* * *

This is the answer which The Financial Post believes should and can be given to patriotic citizens and businessmen currently worried about the need for greater personal sacrifices if the war is to be won quickly and effectively.

It will be remembered that in April last, Governor Graham Towers of the Bank of Canada made prophetic reference in a series of public addresses to the need for curtailed consumption of "non-essential" goods.

Last week at Toronto, Hon. J. L. Ilsley, Minister of Finance, urged

(Continued on page 2, col. 3)

See Trouble in Rise Of Wholesale Price

Ottawa's Whole Price Control Programme Feared Facing Severe Test in Coming Months—Where Should Climb Be Halted?

From Our Own Correspondent

OTTAWA.—With virtually all indices of economic activity recording new highs, the Government's programme of price control faces its severest test in the coming months.

The cost of living has not advanced out of bounds in the first year of the war, but the storm signals of future pressure upon price controls are already plain in the latest indices of wholesale prices.

Latest wholesale price index numbers of the Dominion Bureau of Statistics, based on 567 commodities, show steady advance in recent months. End of the month numbers are:

(1926 — 100)	
June	81.6
July	82.4
August	82.7

Now Face Bigger Forces

Government policy has been to control prices whenever rapid increases threaten, but not to restrict the normal and natural advance that must follow industrial expansion under the stimulus of war production. So far, this policy has worked well and has been effected with comparative ease.

General upward movement of retail prices is not far off, it is believed, and with it the demand of labor for higher wages, complaints from consumers, and heavy political pressure upon the Government. The machinery of price control, there is reason to believe, will adequately regulate future movements.

The vital problem upon which no decision has been made, and apparently little consideration has been given to it by the Government, is where must the line be drawn in price control.

In its hands, the Government has ample powers to fix price levels wherever it desires. The practice of price control has gone much further in other belligerent countries than in Canada. And the Canadian war measures statute vests final power in executive orders.

It is not a question of whether prices will go high, but how high they should be allowed to go.

In the first year of war, the cost of living has advanced roughly 5%.

The period of 1935 to 1939 was one of moderate price advances, so that the war found Canada with its price levels on the upgrade. There is some margin lost in the depression still to be recovered, but how much should be regained?

In 36 principal commodity groups, wholesale price increases were recorded in 33 items, decreases in two items, and no change in one. The increases ranged from 53.7% for woollen cloth down to 0.9% for clay products.

But the speed-up ordered in war industries was not issued until late in May, so that the competitive element of war production with non-war production was scarcely shown in these figures. Take the case of furniture. The wholesale price moved up 11.9% between Aug., 1939, and June, 1940. But with doubling of shifts in war factories, workers who get 80 cents an hour in a furniture factory can get $1.25 an hour in an aircraft plant. The labor costs of the furniture industry cannot escape a rise, and with them a general advance in the cost of furniture to the consumer.

Now that war production has entered the stage of full activity, a new phase of price levels is expected. At the outbreak of war there was a sharp advance, gradually slowing down until March, 1940. There was then a period of more than two months when commodity markets settled down But since the end of May, the index has been advancing slowly. The rise has a more general basis than that which occurred at the outbreak of war.

The rise starting in Sept., 1939, was based largely upon grain, milled products, sugar, butter, cheese, textiles, pulp and newsprint. The recent slower advance is based on a wider range, including meats, metals, coal, wool fabrics, lumber and miscellaneous fabrics.

Threat is Seen In New Award On Wages

Tending to inflation and producing widespread confusion in Canada's industrial war effort, is the way certain responsible employers size up the wage settlement recommended for John Inglis Co. boilermaking division.

A Board of Conciliation was asked for by the men last May. After considerable delay on the part of Ottawa in appointing the three members necessary the Board finally reached a decision last week. A 17% increase in the basic hourly rate is recommended and also a reduction in weekly hours from 48 to 44.

Immediately after the Board announced its decision other companies engaged in the same kind of work were approached by labor representatives. Similar wage increases were asked and also the shorter week.

Executives of industrial plants, especially those engaged on war orders, are alarmed by the Inglis decision, The Financial Post is informed.

They see wages soaring sharply, with inevitable inflation, considerable confusion in their factories and a slowing up of war work as a result

(Continued on page 2, col. 8)

Get Power Now Defer Seaway

From Our Own Correspondent

OTTAWA.—General agreement to give Ontario immediate increase in power generating resources at Niagara Falls, but to hold the St. Lawrence seaway project in abeyance, is reported reached in negotiations with U. S. authorities on war power needs and the seaway scheme. At mid-week, basic terms were understood to have been laid down and conclusion of a formal agreement was said imminent.

The U. S. is believed ready to concede to Ontario for power purposes at Niagara the extra flow from the Long Lac and Ogoki diversions into Lake Superior. Flow from Long Lac could be made available immediately but would increase peak capacity at Niagara by only 15,000 h.p. The Ogoki project could be completed in two years, and would step up this increase to about 50,000 h.p. Some adjustment may be made to increase the generating value to Ontario of the basic flow now allowed at Niagara, but this is uncertain.

The agreement is said to contemplate ultimate launching of the seaway power development project, but to shelve the project pending an extensive resurvey of the power resources in the Great Lakes-St. Lawrence regions.

Prepare Plans For Two Towns

Plans of reorganization for two southwestern Ontario towns, Essex and Riverside, have been approved by a bondholders committee. There will be submitted to bondholders within the next few weeks.

The Town of Essex has been in default of principal and interest for about eight years. Essential features of the suggested plan follow:

(1) Bondholders to get 10% of arrears of interest in cash.

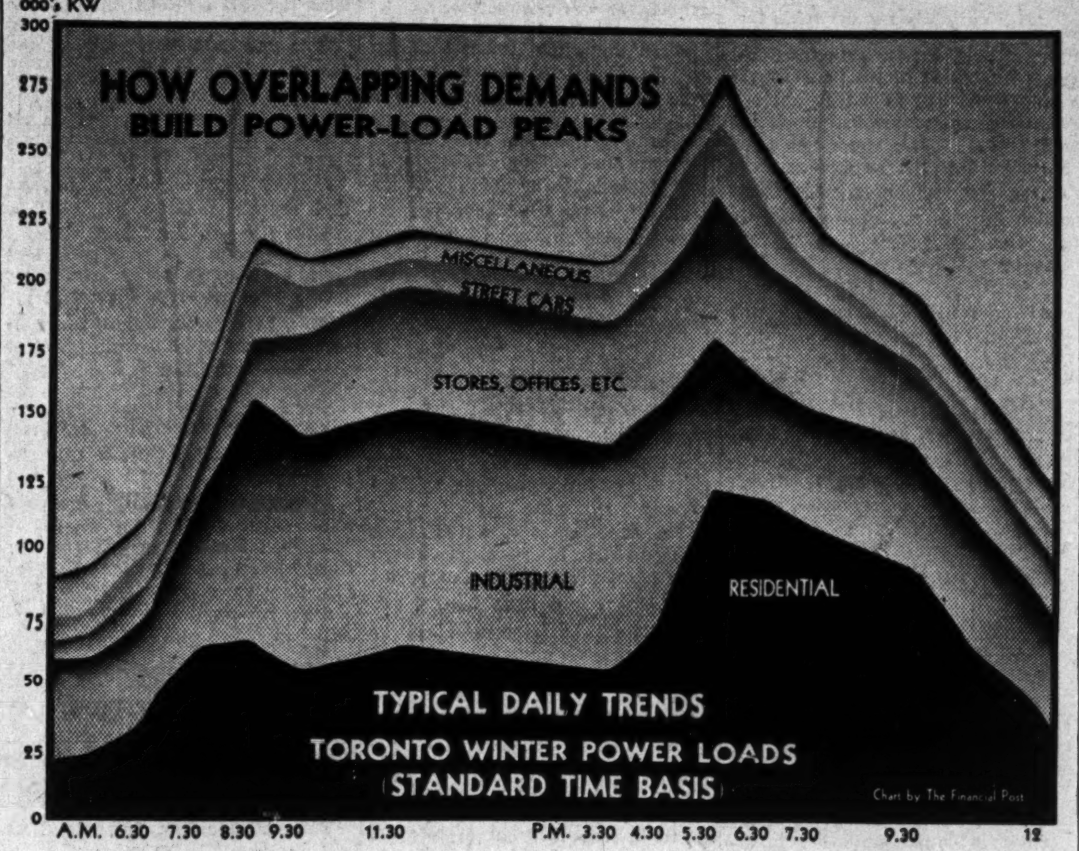
(2) Coupon rate on the new bonds to be reduced to 3¾%, the new issue to be 1-40 year serial bonds.

(3) All surplus cash, after allowing for expenses of refunding and settlement of arrears to be used by the town to purchase its own bonds on the open market.

The plan for the town of Riverside, which has been in default of principal and interest for about nine years, is a temporary 5-year one. Essential features follow:

(1) Bondholders to get 10% of arrears of interest in cash.

(2) The coupon rate for the five years to be 1%.



How power demand climbs in the late afternoon of winter days on standard time, which the extension of daylight saving seeks to abate, is illustrated by the above graph. It is based on actual peak output required to carry the principal loads of the Toronto Hydro-Electric System in November, 1939. With daylight saving continued through the winter, the daily peak will occur an hour earlier—5.30 p.m. D.S.T. or 4.30 Standard—but will be substantially lower.

Canada Starts Soon On Big Tank Fleet

By STAFF WRITER

OTTAWA. — Canada will shortly embark on a new tank-building programme involving, at the very least, an expenditure of $150 millions, The Financial Post learns.

The tanks will be the new Anglo-U. S. model which has been worked out in recent months in collaboration between British and American experts. Each tank will cost about $50,000 to construct, exclusive of armament.

The total order will be in the neighborhood of 3,000 tanks of which 1,200 are on Canadian account. The remainder are for Britain.

The contract will probably extend over a two-year period with production reaching five a day.

The contract will be probably placed with one firm. Parts and materials and perhaps assembly of part of the order will be distributed among many individual plants throughout the country.

The entire tank, except for engines and some transmission parts, will be manufactured in Canada. The same tank is being also manufactured in the U. S. for British account.

Medium-sized Tank

The tank is a medium-sized cruiser type and is an adaption of the U. S. model which has been developed over a period of years by U. S. military experts. Basically it is the same as the American tank except for important refinements and improvements suggested by British experts.

Canadian experts have been present at field tests and have worked closely in collaboration with British and U. S. authorities in developing plans for its manufacture in this country.

This tank will be known as the M-3. It is not to be confused with the Mark III tank now nearing production stage at Montreal and which is a purely British tank ordered for the U. K. Government. This order involved an estimated expenditure of $63 millions.

As well, Canadian experts and industrialists are busy at work on a new and revolutionary tank of much lighter and cheaper construction.

These tanks can be turned out at a fraction of the cost of the larger machines and will be a distinctly Canadian contribution to mechanical warfare.

Work on this new tank has proceeded very rapidly The Financial Post understands. Whether or not production will begin by the year-end as indicated recently by Hon. C. D. Howe in a public speech at Toronto, is not known.

Sees Big Inflow Of Firms Ahead

From Our Own Correspondent

OTTAWA. — One of the major branches of the new National War Services department—the Material Resources branch—has gone to London under the hats of two men—Hon. J. G. Gardiner, minister, and Major R. J. Waterous, mayor of Brantford, who has been appointed the head of it.

Mr. Waterous' branch is to concern itself with the distribution of industry throughout Canada. It will have a hand in planning the location of the new war industries to be launched and will be equipped to deal with any inflow of industry into Canada after the war is ended.

There is a general feeling at Ottawa that when peace returns there will be a great migration of industry to this country from continental Europe and, perhaps, from the British Isles. It is believed that under proper guidance this industrial development can be spread evenly across the country and that large concentrations in industrial centres of central Canada can be avoided.

Daylight Time Power Saving Below Hopes

Found Considerably Less Than Originally Estimated by Ottawa

Power plant capacity freed by winter daylight saving, to meet war industrial demand in central Canada, will likely be considerably less than first expected. At the same time, revenues of primary generating and distribution systems may be adversely affected, unless all of the power surplus created by daylight saving can be disposed of to meet new industrial demand.

When the Government ordered "fast time" continued in Ontario and Quebec, it was estimated this would cut winter peak loads by the equivalent of about 190,000 h.p. Later study of normal winter loads and probable new trends indicates that the saving may be markedly less, perhaps cut in two.

Analysis points to a power conservation less than half the original estimate for Ontario. Conditions and outlook for Quebec are not entirely similar, but the trend there should not be widely different from Ontario and the actual saving will likely be less than forecast.

Revised estimates based on more detailed breakdown of Ontario figures set the net reduction in load at approximately 50,000 h.p., possibly less. At the time the daylight saving plan was announced from Ottawa, it was estimated that Ontario power savings would run to 100-115,000 h.p.

Conservation of Ontario power resources from winter extension of daylight saving, and the consequent abatement of urban peak loads, may be less than half original estimates.

Revised estimates indicate that the net generating capacity freed by the levelling out of peaks from winter

(Continued on page 2, col. 6)

War to Get Priority Men, Tools, Goods

Ottawa Makes Drastic Change in Policy — Concedes Man in Overalls as Vital as Brother In Arms

By STAFF WRITER

OTTAWA.—As Canada heads for a $1.5 billion annual output of war materials, definite plans are in the making to divert an increasing share of labor and materials from civilian to war needs.

Officials are working on a scheme of labor priorities and on a scheme to extend the control and rationing of raw materials vital to war production. A ban on "new models" is also in the wind.

Whole Emphasis Now Changed

With almost incredible swiftness the pattern and emphasis in Canada's war effort is being changed.

Industry—the plants and shops throughout the country that are making war machines and equipment—has suddenly been promoted to equal rank with the army, navy and air force.

Industrial workers, with equal suddenness, have gained, in the Government's estimation, a place of proud equality with the fighting troops. Hereafter the oil-stained man in overalls who operates a war machine is to be regarded as being the equal in terms of victory of the lads who march.

A sharp halt is being called to the hitherto indiscriminate methods of awarding contracts, regardless of the urgency of the need for the particular article to be made.

Was Inefficient and Hampering

One reason for the decision to modify the plan of drafting 30,000 men a month for 30 days training is the fact that army chiefs regard it as an inefficient way to train men for actual service.

Another factor is that the scheme promises to interfere seriously with supplies of industrial labor. And all who are intimate with Canada's contribution on the industrial front agree that Canada's major job now is to keep the machinery in the factories turning over.

From now forward, according to Hon. J. L. Ralston, Minister of National Defense, the emphasis (in other words priority) is to be placed upon industrial man power. The needs of industry must be given first consideration. If necessary to maintain and expand industrial output, the training plan which went into operation this week and under which 300,000 men are to be trained for 30 days each in the next 10 months, will be modified. If necessary, the total number of men to be so trained will be reduced. It may well become necessary, in the interest of industrial output, to call and train fewer men. If so, they will be trained for a longer period of time.

More than that, if the need exists, men will be returned from the fighting services to the factories. They will lay aside khaki and arms to don overalls and take up tools.

Labor Control to go Much Farther

Government control over labor will, however, go much farther than modification of the draft. The country has reached the point where it is impossible to find an unemployed toolmaker, diemaker, patternmaker or other skilled craftsman to put on a new war job. New men are being trained in technical schools, under the Youth Training Programme and by means of apprenticeship schemes, but numbers are insufficient. And in some trades the best training in the world is no substitute for years of experience.

So acute is the shortage that some men have been able to bargain for excessive wages. One case is reported of a man who has shopped around and found six new jobs in three months. Each time he has changed his position he has got an increase of 2½ to 5 cents an hour. Although a skilled patternmaker, he has really done no work at all in the period.

Canada has now no scheme of labor control. No person has any authority to direct any workmen to any particular job, no matter how urgently he may be needed. The Government has, under various war measures, power to impose such authority in some suitable person or board but no move has yet been taken to set up a system of control.

The step is likely to be taken soon. Ottawa expects that a labor controller will be appointed in the Department of Munitions and Supply. He will have power to move any person from one job to another; he will be able to fix wages; to curb "labor stealing" and generally to ensure that war output does not fail from lack of key workers.

See Big Reservoir in "Non-war" Industry

Officials claim there is a vast reservoir of highly skilled labor in the so-called "non-essential" industries. If it had the necessary powers, the Department of Munitions and Supply could "borrow" toolmakers and similar craftsmen from these industries and put them to work on war jobs.

It is noted that Australia has had a system of labor control in effect since June last when Parliament enacted the necessary legislation. No man in any war industry in Australia may leave his job without permission from the Government which has also complete power to take men from one industry and move them to another.

Alongside the system of labor priorities there will be, Ottawa hears, a stricter control of raw material supplies. Already the metals controller has diverted to war industries the entire available supplies of aluminum. The steel controller has set up a system of steel priorities. But in respect to many other materials priorities will be established. This system is bound to have a very considerable influence on the manufacturing and sales programmes of the non-war industries.

Seek to Give Direction

Thirdly, as a means of conserving skilled labor and machinery, the Government (as The Financial Post announced last week) will shortly put a ban on all new models in the durable goods industries selling to the consuming public.

In such ways will the Government seek to give direction and

(Continued on page 4, col. 4)

Gypsum, Lime Plans to Use Producer Gas

Gypsum, Lime & Alabastine Canada, is undertaking installation of a new gas-producer plant at its Beachville, Ont., lime quarries. Excavating has started and the new plant should be ready next January.

Two years ago, Gypsum started to use natural gas to fire its lime kilns at Beachville. Two gas-fired kilns were constructed, each having a capacity of about 90% of the combined capacity of the eight old kilns now being dismantled.

Now, in addition to the building of a plant to produce manufactured gas for use in the two existing kilns, the company is adding a third kiln. This gives it approximately 2½ times the lime producing capacity of two years ago.

The new gas producer plant is to cost about $100,000. It follows the recent purchase of a gypsum deposit at Baddeck, N.S., construction of a new rockwool plant at Caledonia, Ont., which has more than doubled output of insulating material, and modernization of lime plants at Joliette and St. Marc, Que.

The company will continue to use natural gas for some of its needs but it is understood that rapidly ex-

(Continued on page 4, col. 4)

The War And Business . . . A Weekly Round-up

More Work for Canada

This week's report to Parliament by Winston Churchill revealed something of the unbroken horror of London's daily life. Private letters, too, are beginning to arrive that convey an impression of bitter daily tragedy behind the courageous calm of the unshatterable British.

To Canadian businessmen the nightly bombings bring a new challenge—to produce the sinews of war whose output has been to some degree reduced in British factories.

German air attacks have been indiscriminate; bombs have been dropped almost at random, with the evident intention of breaking civilian morale. Thus the damage to military objectives, to lines of transport and to industries has been less than might have been achieved had the Luftwaffe followed the R.A.F. in aiming only at such legitimate targets.

But the damage has been enough and Canadian factories producing more than one necessity of life or war have been forced to speed up beyond theoretical capacity to fill British needs.

* * *

Transfer Factories

With the approach of the foggy winter season, when air bombing may be expected to lessen in severity over Britain, it is likely that consideration will be given to the transfer of some British war factories to Canada. The movement must be on a limited scale because Britain can ill afford to lose the output of any factory, even for a day, and particularly so in the case of aircraft engines and airframes.

But air warfare is bound to be more furious than ever next spring and it would seem to be only sound insurance policy to see that, for instance, one or more British aircraft engine plants, with the attendant parts plants, were re-established in Canada over the winter months.

Canada has no machine tools, no skilled workers to spare for such a transfer. It would be necessary to move the plants out, machinery and workmen included, and to re-establish them in newly constructed buildings here.

* * *

Tank Programme

Canada's colossal tank programme is taking shape and some particulars will no doubt be given out shortly.

The programme is a joint effort by Canada, the United Kingdom and the United States.

A common tank has been chosen. It is the U. S. medium cruiser tank, reported to be around 25 tons, and modified in accordance with recommendations of British officers who saw tanks in action in northern France.

American factories will make several thousand of these tanks for the U. S. and U. K. Governments.

* * *

Many Canadian factories will participate in this enlarged tank programme but the assembly will take place in one central plant. It will be recalled that a similar system is being used in connection with the earlier $63 millions tank programme.

Between the two tank jobs, Canada will shortly be producing 8 tanks a day or at the rate of about 2,400 yearly.

* * *

Panzerdivision?

Ottawa has already announced the formation of a tank brigade for Canada. But the development of this larger production programme for the armed steel monsters of modern warfare suggests that Ottawa may have in mind a full tank division—a "Panzerdivision." Whatever may be in the wind is still a matter for speculation but some Ottawa forecasters expect the Fifth Division, when formed, to be an armored division of terrific striking power.

* * *

Bottleneck in Brains

Dept. of Munitions and Supply is finding increasing difficulty in placing larger orders for such items as tanks, field guns, heavy shells, etc. The obvious difficulties in respect to machine tools, raw materials and skilled labor are increased because of the bottleneck in administrative and engineering skill that threatens to develop.

Most of Canada's larger, more experienced industrial companies have already been given not one but several major jobs to do. Their executive and production personnel has been "thinned out" almost as much as it is possible to dilute them.

Increasingly, Ottawa will turn to companies that have yet been assigned only minor jobs because their experience and equipment did not fit them for the particular work that had to be done. But Ottawa will want to use the administrative genius of their executives, and the skill of their workmen, even if it can make only ineffective use of their plant and machinery. A lot of companies are going to be making a lot of things they never dreamed of making.

* * *

Cruisers for Canada?

Will Canada attempt to make destroyers? Ottawa has been discussing the pros and cons and it is likely that this country will shortly embark upon their production.

Destroyers are the most difficult of all naval vessels to build. They are engine-heavy; since they must be able to do 30 to 34 knots in heavy seas and yet displace only 1,200 to 2,500 tons.

Destroyers are yet the biggest boats in the Canadian navy. But some governmental observers feel that Canada will have to add cruisers to our fleet. There is likely to be at least one cruiser on each coast.

Australia owns cruisers.

* * *

Import Bans

Governmental authorities have been giving much study to the question of restricting luxury importations from the United States. Up to now, Ottawa has refrained from banning any merchandise imports no matter how "non-essential" they may be. Whatever curtailment has occurred has been the result of higher taxes and duties.

It would not be surprising if steps were taken in the near future to place certain "non-essential" and luxury items on the restricted list as regards U. S. importations. This will not be done unless and until it has been clearly established that such action would not be considered "unfriendly" by the U. S.

The items affected would probably not loom large in terms of dollars and cents but they would pave the way for more extensive regulation later on if Canada's dollar position demands that something more be done.

* * *

Buy Empire

Meanwhile extensive plans are afoot, The Financial Post learns, to attack the problem from another angle—namely encouragement of "Buy Empire" merchandise.

It is probable that a very extensive nation-wide campaign to advertise the "Buy Empire" theme will be under way in Canada before long.

Make Sure You See—

Sir Norman Angell's Exposé of Hitler's Methods
How Hitler Uses the Lindberghs—p. 11.

Where Canadians May Have to Cut Down
Guns Versus Butter—p. 11.

What U. S. Editors Say About Our War Effort
Here's What U. S. Editors Think—p. 11.

How Canada's New Mines Have "Come Through"
The A to Z of Canada's Mines—p. 19.

What the Tax Collector Takes From Companies
Taxman's Share Near 90%—p. 20.

Hat News FROM EATON'S

From England
CHRISTY BOWLERS

A finishing touch to your Fall wardrobe . . . a fine bowler by one of the world's greatest hatters . . . Christy's of London! Made from fine fur felt . . . lined . . . and styled in the best of taste!

Sizes 6 5/8 to 7 1/2.

EATON Price, each **$7.50**

Main Store ● Main Floor

T. EATON C° LIMITED TORONTO CANADA

Anglo-Dutch Sugar Will Give Up Charter

From Our Own Correspondent

MONTREAL. — Steps have been taken to wind up the Anglo-Dutch Sugar Refining Co. formed for the purpose of purchasing Acadia Sugar Refining Co. and the Atlantic Refining Co.

The Anglo-Dutch Company functioned merely as a holding company, and never as an operating unit. With the Acadia and Atlantic Refineries now operating through a joint sales organization, the necessity for the continuance of the Anglo-Dutch charter was removed.

LAWYER

DESIRES position with financial or industrial corporation, with prospects of an executive position. Eight years experience in mining brokerage and company law. Age 36. Box 81, The Financial Post, Toronto.

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A NEW KIND OF CAR IS COMING IN THE LOWEST-PRICE FIELD!

IT'S A BEAUTY— BUILT TO SAVE YOU MONEY EVERY MILE

B.C. Pulp Pay Back Interest

Pay Two Years' Interest As Earning Power Stages Recovery

From Our Own Correspondent

MONTREAL.—British Columbia Pulp and Paper Co. announces that it will pay on Nov. 1 next interest coupons covering the period from May 1 to Nov. 1 from 1939 to 1940. Payments will include interest on interest at the rate of 6% per annum. Consequently the aggregate payment on the four coupons covering a $1,000 bonds will amount to $125.40. Payment on a $500 bond would be half that figure, or $62.70.

At the end of last year the company had outstanding $3,130,500 of the 6% first mortgage bonds. At a meeting held in May, 1939, holders of the bonds authorized postponement of interest on the period, which is now being paid, until Nov. 1, 1942. At the same time the company was given the right to prepayment in whole or in part of such interest on 30 days notice.

The action of the company in making prepayment on the interest for the two-year period would indicate the sharp upturn in earning power.

In 1939 net earnings amounted to $400,660, which was more than sufficient to cover bond interest, but was not sufficient to cover depreciation and bond interest. Expansion in earnings this year is indicated by the fact that both the company's mills have been operating at capacity since the middle of June. Continuation on this basis is anticipated for the balance of the war period, and possibly for some time thereafter, dependent upon the extent to which new outlets are retained.

Dom. Alloy Steel To Refinance

Meeting Scheduled Oct. 17 to Authorize New Capital for Equipment

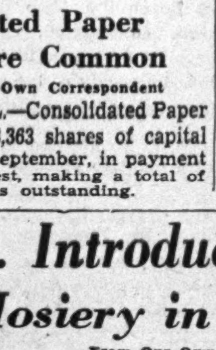
Shareholders of Dominion Alloy Steel Corp. are meeting in Toronto, Oct. 17, to consider certain financing proposals. It is proposed to cancel a previously authorized bond issue of $8 millions and in its place to authorize a new issue of $2 millions of bonds and an additional 100,000 common shares. Present share capital is 200,000 no par common of which 171,406 shares are outstanding and 132,812 non-cumulative preference. No changes are proposed in the preference.

Company officials tell The Financial Post the company is arranging for some special war work which will permit resumption of operations. This will require $750,000 for equipment and working capital. Financing to this extent has been arranged.

The company's plant at Sarnia, Ont., has been idle for the past year. It is equipped to make galvanized steel sheets up to a capacity of 25,000 tons annually. Operations were carried on irregularly prior to this year.

Colonel Cockshutt Honored in U. S.

Colonel the Honorable Henry Cockshutt has just been unanimously elected honorary member of the Farm Equipment Institute at Chicago. The official announcement states that this honor has been conferred on him "in recognition of the outstanding contribution you have made to the welfare of the industry throughout the years."



COL. COCKSHUTT

Just about three weeks ago, on Sept. 21, Colonel Cockshutt completed 56 years of service with the Cockshutt Plow Co. Ltd., a record unique not only in the agricultural implement industry but notable in Canadian industry generally. At that time he was referred to as Dean of the Canadian implement industry.

Consolidated Paper Issue More Common

From Our Own Correspondent

MONTREAL.—Consolidated Paper Corp. issued 3,363 shares of capital stock during September, in payment of bond interest, making a total of 2,535,791 shares outstanding.

The Nation's Business

(Continued from page 1)

especially that Canadians economize as much as they can "on durable consumers' goods such as automobiles, radios, refrigerators, etc."

What Mr. Ilsley also said was this:

"It is certainly not desirable for civilians to restrict their consumption of certain primary Canadian products of which we have a surplus, such as wheat, apples, and various forms of fish products."

The Finance Minister might have extended this list to a very large number of manufactured items which are (as yet at any rate) in the same category.

* * *

Prime responsibility for curtailment of consumer spending rests with the Government rather than with individual manufacturers or merchandisers.

To carry out its programme, the Government has at least five potent weapons. First, taxation. Second, loan and savings campaigns. Third, priorities as to labor. Fourth, priority as to materials. Fifth, import and exchange restrictions.

The first two weapons are already at work to curtail consumer spending power. The second and third can and are being used to channel and direct the production of goods and services. Exchange and trade controls direct the nature and extent of purchases and expenditures outside the Dominion.

All these in time of war are needful and important weapons. They embrace adequate authority to direct consumer spending and purchasing along lines suited to the war effort. The Government will be expected to use them without fear or favor.

* * *

Just now the Canadian economy is in the "in-between" period.

The huge war programme mapped out in the past few months is only now getting into operation. There is no complete knowledge as to just how and in what direction our standard of living will be affected by the imperious needs of the war.

As the need for sacrifice increases, the Government will of necessity call upon all Canadians to give a larger share of their income to war purposes either through loans or taxation.

It will require that thousands of workers be moved from non-essential production into the war effort.

It will channel from peacetime uses hundreds of millions of dollars worth of materials as they are needed for war production.

* * *

When that times comes—and for isolated industries and business it has already arrived—the nation will demand and require the utmost help and co-operation from every citizen.

Meanwhile, so long as supplies of raw materials and of labor are available, there is no good purpose in needless disruption of industrial and merchandising effort.

Within these limits there is nothing unpatriotic about "business as usual."

* * *

Premier Hepburn Shows the Way

The preview by Premier Hepburn of Ontario's income tax policy for 1941 is gratefully received by taxpayers.

Had Mr. Hepburn waited until spring to state his government's intentions, individual and corporate taxpayers would have been needlessly confused. Income taxation nowadays takes such a large share of personal income that advance budgeting by the average citizen has become almost essential.

The decision to permit no new income taxes or increases in 1941, and to abide by the rulings of the Federal War Contracts Depreciation Board in respect of corporate taxation, is a contribution to war-winning.

For Ontario or any other province to use the new federal income taxes as an excuse to increase revenues would be little short of sabotage of the country's war finances.

Provinces which have not outlined their tax policies for 1941 might well follow the excellent precedent set by Premier Hepburn, not only in announcing their intentions early but in refusing to increase tax rates.

* * *

Seeking an Answer to Abitibi Muddle

The Abitibi situation is still a very unsatisfactory muddle.

Junior interests are fighting with their backs to the wall to avoid complete elimination.

Bondholders are not unanimous in favor of the judicial sale scheduled for Oct. 16 as evidenced by action of Noranda Mines in seeking court orders postponing the sale and distributing $7 millions in cash to bondholders.

It is not hard to understand the position of the bondholders' group which is seeking the sale. No one has denied their first claim on all assets up to the complete satisfaction of their full debt.

Neither is it hard to appreciate that shareholders do not want to see their investment wiped out.

These groups have been consistent from the first in going after what they conceived to be their own interests, perhaps with too little consideration at times for the good of the company as a whole.

* * *

Not nearly so consistent has been the attitude of the Ontario Government.

Though it is admitted that the Government does not want a sale at this time, Ontario nevertheless refuses to recognize the possibility of effective action on its part to stay this move.

The Financial Post has made pleas for consistency and a clear-cut statement of policy on this vital question from Premier Hepburn on more than one occasion recently. The Toronto Globe and Mail echoed strongly this appeal in its editorial columns this week.

This attitude The Financial Post still supports.

Ontario has demonstrated that laws now on its statute books give it power to regulate the timber resources as seems best. But it does not choose to apply them.

There has been no change in The Post's belief that the proposed judicial sale method of rehabilitating Abitibi is a harsh method and not a desirable one.

* * *

The whole question has the appearance of a battle for high stakes between strong personalities in the leaders of the opposing groups.

Perhaps much good would be served if the present leaders of this fight were convincingly to disassociate themselves from the whole affair, leaving the controversy to others who might not be so bound by hopes for personal power or gain.

Canadian Car Gets Big Order

Will Build Propeller Shafts and Hubs Worth $2.5 Millions

From Our Own Correspondent

MONTREAL.—An initial order has been received by Canadian Car and Foundry Co. from the Government for 1,500 propeller hubs and approximately 1,000 propeller shafts. These units will be used in connection with the Anson training bomber programme being carried out by the Boeing Aircraft Co. Estimated value of the order, which is stated as only part of the programme, is placed around $2.5 millions.

The new order for hubs specifies an aluminum alloy, two position controlled, designed to correspond with British needs in cruising bombers, indicating that when training requirements are fulfilled, the equipment can be used for more advanced machines.

In connection with the company's expanding war programme, one of the Montreal units is being reconditioned with the object of supplying the aircraft division with machine tools.

Tourist Spending $45 Millions Net

From Our Own Correspondent

MONTREAL. — Tourist traffic between Canada and the United States for the first half of 1940 resulted in a net gain for Canada of $45 millions, according to a report of the U. S. Department of Commerce. This contrasts with $48 millions for the like period of 1939, a decline of only 6%.

Visitors from Canada to the States spent 5% less in the first half of 1940 than in the same period last year. No figures are supplied by the Department, except the net balance of payments which, as indicated, shows Americans spent $45 millions more in the Dominion than did Canadians in the States.

F. P. Jones Bequests Paid To Glass Firm Employees

From Our Own Correspondent

MONTREAL. — Frank P. Jones, prior to his death in 1939 one of the most noted Canadian industrialists, made substantial bequests by his will to the employees of Consumers Glass Co., of which he was president at the time of his death. About 440 employees in all received legacies under the provisions of the will, and administrators of the estate have arranged to make payment this week.

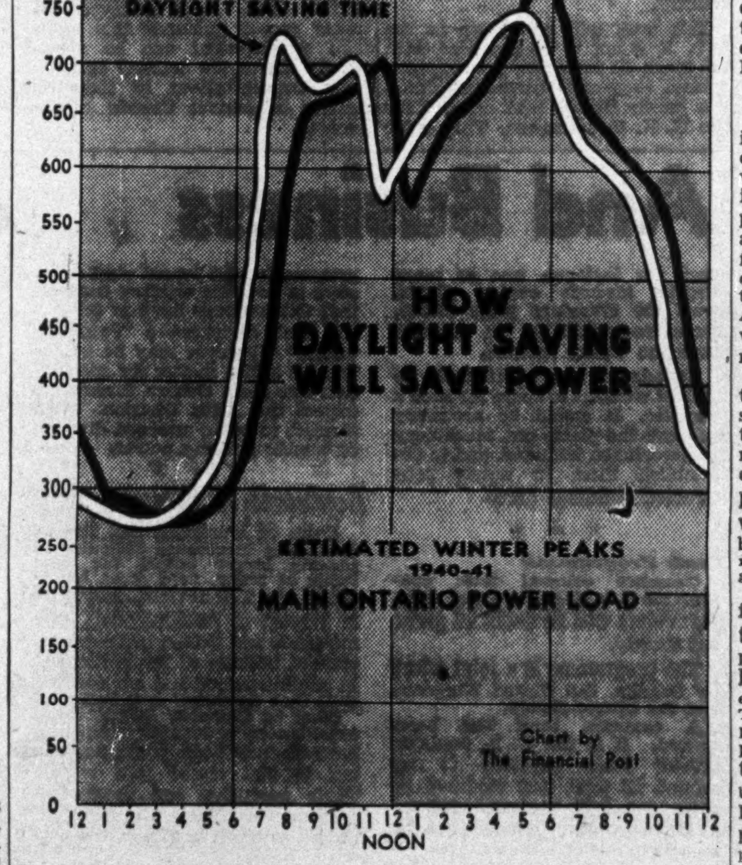
Subject to certain bequests which have been provided for, each employee on the payroll for at least a year at the time of Mr. Jones's death, and whose earnings did not exceed $2,000 a year, will get a sum equal to 50% of the employees' earnings.

To all employees of the company who fulfilled the same conditions and whose earnings were between $2,000 and $5,000 a year, Mr. Jones made a bequest of 25% of the employees' earnings.

No information is available as to the aggregate sum involved, but the individual payments will run as high as $1,250, less succession duties.

The Consumers Glass Co. at one time was a wholly-owned subsidiary of Canada Cement Co., of which Mr. Jones was for many years president. Upon the sale of the cement company in 1927, Mr. Jones purchased the glass company.

For a while the Consumers Glass Co. had some bonds outstanding in the hands of the public, but for some time past there has been no public investment interest in the enterprise.



The principal net saving in power to the Ontario Hydro-Electric Power Commission as a result of winter daylight saving time, recently ordered from Ottawa, is depicted above. The gap between the two late afternoon peaks is equivalent to a reduction in peak load of about 50,000 h.p., which would leave that much additional capacity available at peak periods for new war industries and the accelerated pace of industry generally.

The graph is based on estimates of the chief single power load of Ontario Hydro—the output to serve the municipal distribution units in the Niagara System. They are shown under daylight saving and standard time at the December peak, usually the highest in each year. The estimates do not embrace the other regional systems of Ontario Hydro, or the Niagara Peninsula or Hamilton district units, where the domestic-commercial loads are so relatively low that the load cut from daylight saving would be negligible.

The standard time curve is based on the actual peak last December with allowance for the net increase in the basic load which has developed since then. The D. S. T. load estimate is based on the regular time load with allowance for the lower and earlier peak resulting from daylight saving. Both curves, however, are on a tentative and approximate basis. They assume, for one thing, that all the municipal systems served will be on daylight saving, which will not be the case in some of the smaller centres.

C. I. L. Introducing Nylon For Hosiery in Canada

From Our Own Correspondent

MONTREAL. — Nylon stockings will shortly be made available for the Canadian market. Experimental lots of Nylon yarn have been imported into Canada lately for the use of hosiery manufacturers. Once they have accustomed their operatives to the use of the new product and made whatever machinery adjustments as are necessary, regular commercial production will be commenced.

It is not expected, however, that a regular supply of Nylon stockings of Canadian make will be on the market much before the beginning of next year.

Introduction of Nylon yarns to the Canadian market is being handled through Canadian Industries Ltd., which is associated with the du Pont interests, originators of the new chemical product. C. I. L. has set up a special branch of the mining and organic chemicals division to handle the work.

At this stage there is no intention of having a Nylon plant in this country. The capital cost is particularly heavy, and the Canadian market has not yet reached the stage where a plant would be justified.

Among the possible textile applications for Nylon yarn are knitted goods of various kinds, woven dress goods, lace, bathing suits, underwear, upholstery material, etc. Nylon yarn is now finding commercial application in the manufacture of sewing thread and fishing lines, but only in a limited way due to the fact that the yarn is available only in small quantities.

The substance has numerous other applications. Already, bristles made from it have been used on a rather large commercial scale as "exton" filaments in tooth brushes and have also been introduced commercially into various other types of toilet brushes, including hair, nail, clothes, hat and complexion brushes.

As far as the Canadian market is concerned, use has been restricted to toothbrush bristles and hosiery. Steps now being taken to push the use of Nylon yarns for hosiery are expected to result in a sharply increased use of the product which may, at some future date, lead to the establishment of a Nylon plant in this country.

Investor's Index

Oct. 12, 1940

Abitibi	15	Dom. Engineer.	4
Amalg. Electric	9	Dom. Textile.	10
B. C. Pulp & P.	2	Eastern Car	4
B. Greening W.	8	Fairchild Air.	17
Bawlf Grain	9	Fleet	17
Bell Telephone	9	Foreign Pwr.	4
Boeing	7	George Weston.	4
C. Acme Screw	10	Gypsum, Lime	1
Canadian Car 2,	10	Humberstone	4
Can. Colonial	9	Hunt's	8
Can. Dredge	9	Mar. Tel. & Tel.	8
Can. Industries	2	Mtl. L. H. & P.	9
Can. Locomotive	10	Nan.-Duncan	8
C. P. R.	4	Ottawa Light.	9
Can. Pwr. & Pr.	8	Quebec Power	9
Cons. Diversif'd	9	Rolland Paper	13
Consol. Paper	2	Silverwood D.	4
Crown Zeller.	13	Third Can. Gen.	8
DeForest Crosley	9	United Fuel	9
Dom. Alloy Stl.	2	Western Grain	8

MINES AND OILS

Anglo-Can. Oil.	18	Jason	19
Anglo-Huronian	19	Jodelo	19
Argosy	19	Koot. Belle 18,	19
Aunor	19	Lowhee Hyd.	19
Berens River	18	MacLeod-Cock.	18
Bidgood	18	Mal. Gold Fields	19
Bonetal	18	McIntyre Porc.	19
Brock Gold	19	Naybob	18
Broulan	18, 19	Pamour	19
Can. Explorat'n.	19	Pandora Cad.	19
Cent. Matach.	19	Paymaster	19
Cent. Zeballos	19	Powell Rouyn	19
Chesterville.	19	Power Corp.	3
Cochenour	18, 19	Scott Chiboug.	19
Dome	19	Sheep Creek	19
Dumico	19	Sigma	19
Euphrates	19	Siscoe	19
Faymar	19	Straw Lake B.	19
Francoeur	18	Thomp.-Lund.	18
Gold Belt	18	Trans. Resources	18
Granby	18	Uchi	18
Halinor	19	Upper Can. 18,	19
Howe Sound	18	Vermilata.	18
Hudson Bay	18	Wood Cadillac	19

REGULAR FEATURES

Banking	17
Bond Markets	5
Bond Quotations	14
Business, Week in	7
Commodities	15
Company Reports	8
Editorial	6
Foreign Exchange	14
Insurance:	
Fire and Casualty	16
Life	16
Investment Trends	4
Investment Enquiries	9
Market Opinions	4
Stock Quotations	14
Mining, Week in	18
Stock Quotations	14
Municipal Finances	8, 16
Oils, Week in	18
Stock Quotations	14
Pulp and Paper	13
Wheat, Week in	15
Grain Quotations	15

Power Saving Less By Daylight Time Than Anticipated

(Continued from page 1)

daylight saving, recently ordered from Ottawa, will amount to about 50,000 h.p. and possibly less. At the time the plan was announced from Ottawa, it was estimated that the Ontario power savings would run to 100-115,000 h.p.

It now appears that such power savings will be of little or no value to Ontario in meeting power demands in the coming winter. Indeed, it promises to be more adverse than helpful.

While resulting in a reduction of output which is publicly stated not to be needed, it will also curtail revenues from power deliveries of the Ontario Hydro-Electric Power Commission. The revenue loss may amount to between $350,000 and $500,000 during the winter.

No Present Shortage

Ontario is "at the moment in no immediate need of additional power," according to Premier Hepburn, but Ontario agreed to "go along with Quebec" in extension of daylight saving because of threat of power shortage in that province.

In view of probable future need, Mr. Hepburn intimated, the power reserve created by winter daylight saving might be more useful a year from now.

Also to meet future demand, said the Premier, Ontario would be grateful for additional water flow for power plants at Niagara Falls, which the United States is reportedly willing to concede in connection with the revived St. Lawrence seaway parleys.

Within the next year it is possible Hydro will need winter daylight saving and extra Niagara water, and the additional contract deliveries from Quebec power companies that will be available next year on completion of the new transmission line from the Quebec border.

Loss of Revenue

The expected loss of $350-$500,000 in Ontario Hydro revenues from daylight saving is based on the revised estimate of a 50,000 h.p. drop in peak load output. As the municipal distribution systems of Hydro are billed on a peak load basis, any flattening of power peaks will produce a proportionate drop in collections during the four winter months. At the same time, of course, there will be an equivalent saving to the municipal systems.

The revenue from direct deliveries to industry would, of course, be somewhat less than from supplying the same amount of power to the municipal systems for domestic-commercial as well as industrial purposes. However, the net loss here would probably be less than in Quebec, where the spread between domestic and industrial rates is greater.

The saving in power resources from daylight saving time relates to the peak load aspect of power supply, as distinguished from the problem of supplying the total volume of energy required through each day. The gross potential capacity of power resources sets the limit of peak loads than can be met, and the extent to which that capacity is utilized is determined by the peak load demand occurring in any given period. The energy supplied depends upon the total of continuous demand throughout each day.

The threat of power shortage which winter daylight saving is designed to abate, lies in the high peak loads that must be met in the late afternoon of winter days on standard time. Because of early darkness, power demand for residential, commercial and street lighting normally overlaps with the industrial, home cooking and peak street car loads. These various demands all pyramid and utilize exceptionally high proportions of total power resources.

Under daylight saving time, it is expected that peak loads for street car rush hour operation, store and office lighting, home cooking, and factory power will have been met before the house lighting and street lighting loads come on. It will also mean that most stores and offices will be closed before it is dark enough to require full operation of lighting systems, thus reducing the commercial power load during the peak period.

It is not expected that daylight saving will entirely eliminate the residential load that develops around 4.30-5.30 p.m. in winter on regular time. The majority of housewives begin to prepare evening meals in that period, and that load will not be diminished but merely come on an hour earlier than usual. It is anticipated that many of them will continue their habit of turning on house lights when they go to the kitchen to start cooking, and that only 50% of the domestic lighting demand will be delayed an hour.

Loads Will Drop

However, even this will make for a marked drop in the total residential load and consequently in the total peak, as the domestic load accounts for nearly 45% of the total demand. Power for stores, offices and other commercial purposes absorbs just under 20%, industrial power about 25% and street car operation over 10%.

The following estimated figures show the reduction in peak output expected in the main load of the Ontario Hydro likely to be affected by winter daylight saving. The drop in killowatt output shown is equivalent to a saving in generating capacity of about 50,000 h.p., or about 5% of the gross estimated load on standard time basis.

Estimated Winter Peaks (Dec., 1940) High Tension Municipal Load (Primary) Niagara System, Ont. Hydro-Electric Power Comm.

Std. Time P.M.	000's of kilowatts		Dayl't. Savg. P.M.
3.00	670	700	4.00
3.30	685	725	4.30
4.00	700	740	5.00
4.30	730	750	5.30
5.00	760	745	6.00
5.30	785	725	6.30
6.00	745	685	7.00
6.30	725	650	7.30
7.00	675	630	8.00

Note:—The estimates are on a very approximate basis, and assume that all municipal distribution units will adopt daylight saving through the winter, which actually will not be the case. However, those continuing on standard time will account for a relatively small proportion of the total load. The figures do not embrace the 60-cycle load in the Hamilton district or the industrial areas of the Niagara Peninsula, where any abatement of the domestic and commercial peaks will be comparatively negligible. The fluctuations in load have been computed from the known trend of the load in Toronto under standard time in winter, and the trend expected with daylight saving.

Borrowing . . . THAT HELPS MANY

Everyday citizens in all walks of life—wage-earners, professional and business men and women—are borrowing from this bank for personal needs.

They are repaying these loans in twelve monthly instalments and the "hire" for the money is only $3.65 for each $100 borrowed. There is no other charge.

BANK OF MONTREAL

ESTABLISHED 1817

"A bank where small accounts are welcome"

A91

See Wide Threat In Wages Award

(Continued from page 1)

—a situation completely at odds with Ottawa's proposed policy.

Already they claim labor is disturbed and there is a loss of time through special meetings, appointment of delegates, etc.

Head of one large Toronto plant told The Post that his factory is working a 50-hour week largely on war orders. Even with this time week much overtime has been found necessary to get the work out on time.

Compared with the beginning of the war, he said, total weekly wages in this plant are up an average of 80%.

In some cases, where a company is working directly on a Government war contract, higher wage costs can be passed on in the form of higher prices to the Government.

But this does not greatly help the situation, The Post is informed. Once such extensive wage increases are started they are expected to spread through all lines of industry and to include regular as well as war work.

Moreover, it is pointed out most industrial war contracts are necessarily sublet among many different companies, specialists in various kinds of work. In this indirect type of war work it would be virtually impossible to get reimbursement from the Government for wage increases.

For duration of the war, strikes in war industries are barred until after disputes have been submitted to boards of conciliation or arbitration.

Koppers Co. of Canada Surrenders Charter

From Our Own Correspondent

MONTREAL.— Koppers Co. of Canada which with Montreal Light Heat & Power Cons., jointly controls Montreal Coke and Manufacturing Co., has surrendered its charter. It is understood company holdings in Montreal Coke will be taken over by the parent concern in the United States.

The first step to a successful wardrobe

HARTT Shoes for men

Have you seen the new Hartt shoes for fall? Every style is a natural leader! The quality of course, upholds the traditionally fine standards that have earned for Hartt their reputation as Canada's finest shoes for men. We suggest you see the big assortment of Hartt shoes at Simpson's.

The KENT, illustrated below, is a slender but comfortable model in extra fine black or tan calf, excellent in every detail. Sizes 6 to 12. Widths A to E. Black, pair, 10.50. Brown, pair $11.

Exclusive in Toronto at The Store for Men—

Simpson's STREET FLOOR

London Calling

by Atticus

Natural Elegance of Sir Samuel Hoare Impresses the Spaniards — But He Plays a Rather Trumpless Hand

LONDON.—Once more von Ribbentrop travels to Rome to congratulate, admonish or encourage the Knight in Shining Blackmail who rode so bravely into the lists when France was unhorsed and helpless. The recent conversations were held at the Villa Madama, whose walls have heard many strange words., and whose windows look out toward the Forum Mussolini with its statues of heroic youth to remind future generations of the Facist Romans' glorious victories over the serried ranks of mighty Abyssinia.

Whatever was discussed it is certain that Spain came in for a share. The full strength of the Axis is being brought to bear upon that country, and the spoils of a partitioned British Empire in two continents are being offered. Nor do the seducers lack appreciative ears among the leaders of Franco Spain. There are those who labor by day and night to plunge Spain into the anti-British gamble. Yet Spain remains neutral. A letter from a well-informed friend in Madrid tells me something of the diplomatic struggle in which Sir Samuel Hoare is playing so important a part.

• • •

Behind the Scenes

I saw Sir Samuel the day before he left to take up his post as H. M. Ambassador to Spain and he was looking at the situation with realistic eyes. In the eyes of many European countries the British cause was then lost. With the collapse of France there seemed nothing to prevent Germany crushing the last of the belligerents like an eggshell. Nevertheless General Franco received our Ambassador with every courtesy, and when anti-British riots took place General Franco met Sir Samuel's protest by punishing the ringleaders.

Sir Samuel made an excellent impression on the Spaniards, his natural elegance finding a more sympathetic setting in Madrid than, perhaps, in the greyness of London. Things took a turn for the worse when the Germans announced a victory march of their troops in Spanish territory. Once more Sir Samuel urged the inadvisability of such proceedings, and again General Franco lent a friendly ear and the march did not take place.

Sir Samuel's rather trumpless hand was then strengthened by the beginning of the remarkable series of victories by the R. A. F. Those in Madrid who were proclaiming most loudly that Britain was finished had to subdue their voices a little. Nevertheless the plans to bring Spain into the war against us have gone on and at the moment the pro-Axis group is in the ascendant. My informant points out that the maintenance of Spanish neutrality depends on General Franco. He thinks this should be better understood by those sections of British opinion, which still attack General Franco for his part in the civil war. Meantime it is clear that the British case is being put firmly and tactfully by our Ambassador.

• • •

Sir Denison Ross

The death of Sir Denison Ross in Istanbul removes one who was for a long time a robust and learned personality on the London scene. He had gusto, and when he went out to dinner, which he loved to do, he gave full value as a guest. He was a wit, and his conversation could sparkle when the company was congenial, but when he wrote a sense of responsibility seemed to weigh him down and his style became pedestrian.

For a man of immense vitality and irrepressible loquacity he possessed truly remarkable qualities of patience. He mastered some odd dozen Oriental languages, acquired a working facility with many others, and was consequently in great demand on every occasion that the East confounded the poet by meeting the West. As director of the School of Oriental Languages for many years he labored with the spirit of a crusader, and he never failed to express his wonderment that the British Government, with its vast Eastern interests, should show such indifference to the languages involved in their administration.

He was delighted when, from the weariness of retirement, he was sent early in the war to do special service in Turkey. But soon the shadows fell. His wife, who went out with him, was taken ill and died. It was a blow from which he did not recover.

• • •

The First Lord

When the King visited the First Lord of the Admiralty recently he must have found a man whom he could like and admire. A. V. Alexander may lack the Hollywood asset of glamor, but he is thorough, forthright, and tireless. As First Lord in the Socialist Government he did well, and in the intervening years he kept close contact with Admiralty affairs.

In fact when Mr. Churchill was appointed First Lord at the beginning of the war he was in touch with Mr. Alexander almost as constantly as if that gentleman had been his second-in-command. After all, there is nothing in that, for I am sure, knowing the First Lord as I do, that he too is in constant touch with his predecessor. When Mr. Churchill became Premier the appointment of Mr. Alexander to the Admiralty caused no surprise.

Some people say that Mr. Alexander has not a sufficient appreciation of the value of publicity. When I saw him not long ago in his office he told me a tale of almost incredible heroism on the part of one of the crew of a trawler. On my suggestion that the story would thrill the whole world, he seemed to think that the navy could do very well without capturing the headlines. It is in keeping with his sturdy character to avoid the limelight, but sailors are only human and they may not like being hidden in a fog of reticence. Apart from that, however, Mr. Alexander is confirming the good impressions which he made in his former term of office at the Admiralty.

• • •

Lady Stanhope

There is an echo of the Admiralty in the lamented death of the Countess Stanhope, Lady Stanhope was the daughter of the Marchioness of Sligo, and married the seventh Earl Stanhope in 1921. Theirs was a most happy and devoted companionship, which was never marred by the many controversial incidents in which her husband played a prominent part. Perhaps the fact that they were childless drew them closer together, and her death is a heavy blow indeed to Lord Stanhope. Her tastes were simple, her thoughts kindly, and her friendships were true.

SIR SAMUEL HOARE

• • •

His Splendid Hour

If one is depressed by the somewhat dilapidated condition of certain parts of London I can recommend an admirable tonic in ex-Senator R. D. Elliott of Australia.

I ran into him one morning coming out of his club in St. James's Street after a particularly noisy bombardment. His face was beaming. "I would not have missed this for anything." he said. "Think of being in London now! Aren't these people magnificent? It's grand to be British, isn't it?"

Mr. Elliott is a newspaper proprietor who formerly led the Farmers' Party in the Commonwealth. His enthusiasm and his passion are for the Empire. Apart from that his hobby is collecting Orpens. He was a close personal friend of the famous artist, and he finds the portraits a pleasant memento of old associations.

Mr. Elliott reached here after many adventures, and at once secured a non-salaried post at the Ministry of Aircraft Production where he labors long hours without respect for clock or sirens.

"Look at this," he said. "I dined with an Australian friend of mine last night and told him what we were doing in airplanes. And this is what he sent me this morning to help the good cause."

Thereupon he showed me a cheque for £6,000. "It is grand to be British, isn't it?" he said with a broad expanse of a smile.

It is . . .

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Power Corp. Group Output Holds Steady

From Our Own Correspondent

MONTREAL.—Power Corporation of Canada's associated and subsidiary companies report a combined output in August of 193,991,958 kw.h. of electrical energy. This compares with 203,311,723 kw.h. for the same month last year, a decline of 4.6%.

August (In kilowatt hours)

	1940	1939
Southern Canada ...	16,891,115	19,751,010
Canada Northern ..	60,347,331	63,511,341
East Kootenay	10,023,478	8,759,244
B. C. Power	51,017,474	47,319,188
Northern B. C.	1,268,060	1,078,840
Wpg. Electric	54,444,500	62,892,100
Total	193,991,958	200,311,723

The Post-Bag

Tragedy Unseen

First-run movie houses showed last week a very brief "news" item on Canada's "war guests." It comes on for a moment then cuts into something else.

There is a sad human interest story behind this news reel.

The picture was to have been the Canadian end of an epic documentary film of the child evacuée movement. The British shots were being supervised and filmed by the sister of John Grierson, Canada's brilliant National Film Commissioner.

But tragedy intervened.

Miss Grierson went down on the City of Benares, and Canada lost a film which would undoubtedly have been of great historic importance.

Perhaps Mr. Grierson may be persuaded to try again.

• • •

Able Public Servants

Chief comment made by a group of American business newspaper editors who conferred with members of the Government and deputy ministers in Ottawa last week was upon the high character and ability of the permanent senior civil servants gathered in Ottawa in recent years.

These business paper editors go to Washington six times a year and know all the top men in government there. But the simple direct answers they got to questions they put to deputy ministers, commissioners, etc., at Ottawa, impressed them tremendously.

• • •

More Pamphlets

Pamphleteering is becoming one of Canada's chief industries. Latest series is the "Behind the Headlines" venture in which the Canadian Institute of International Affairs and the Canadian Association for Adult Education are jointly interested.

These pamphlets are to appear monthly, sell for 10 cents (or 60 cents for ten issues), and will deal with current problems.

The first one, "Bushels to Burn," outlines Canada's wheat problem.

The second, "Uncle Sam On The Brink," is a study of American retreat from isolationism.

• • •

Prairie Honey

K. D. Ewart, advertising manager of the Country Guide, Winnipeg, sends us a sample jar of Manitoba honey just to prove that western Canada farmers do not depend solely on wheat for their income.

Mr. Ewart says that products other than wheat account for over 51% of the total agricultural production of the three Prairie Provinces in both 1938 and 1939. And he says that this year farmers will enjoy collectively and, on the average, individually a larger cash income from this year's farm output than in any year since 1929.

• • •

MacLeish to Speak

Archibald MacLeish, poet Librarian of Congress, will be an early speaker on the "Let's Face the Facts" programme of the Director of Public Information and the Canadian Broadcasting Corp.

MacLeish is one of the most articulate of the anti-isolationist writers and speakers in the United States.

• • •

Lane to Angell

John C. Kirkwood, in his "Keeping Posted" column, tells of knowing Sir Norman Angell when he was plain Ralph Lane, working on the Paris Daily Mail. But he does not tell how Ralph Lane became Norman Angell. We have published the story before but repeat it for those who came in late.

His full name was Ralph Norman Angell Lane. When he wrote "The Great Illusion" he used his two middle names as pseudonym. The book made the name of Norman Angell so famous the world over that Ralph Lane never caught up. There was nothing he could do but become Norman Angell for good.

• • •

Premature Hat-Passing

The Ontario election rumors which Premier Hepburn set at rest last week, apparently started when zealous members of the Conservative party started on a campaign fund mission.

Not long ago high ranking Tory officials made overtures to possible subscribers to the party chest.

One reason for collecting subscriptions, so they said, was their belief that Pemier Hepburn intended to spring a surprise election this fall.

Now Mr. Hepburn says "no."

• • •

Weston Welcome

The Salamanca (N.Y.) Inquirer publishes an editorial of thanks on the occasion of the first anniversary of the opening of the George Weston Ltd. plant in that town.

The Weston plant has given the town new life and prosperity, Starting a year ago with 60 employees it now has 216 on its payroll.

The Salamanca editor pays particular tribute to the type of executive with whom the town had to deal; and to the character of the men in charge of the local branch of Canada's manufacturer of "English Style Biscuits."

• • •

New M. and S. Jobs

There have been many changes recently in Munitions and Supply, but not all of the new appointees know exactly what their job is. R. A. C. Henry has become a sort of "controller of controllers," centralizing and co-ordinating the work of the special czars of timber, steel, oil, etc. Carl Goldenberg, brilliant, if youthful, economist, is making studies of economic bottlenecks. R. J. Deachman, ex-M.P., who was in charge of publicity for National War Services, is now in Munitions and Supply on some sort of special publicity mission, not yet well defined.

TOMORROW'S LEADERS —need trust protection TODAY

• Just because you haven't reached the top yet is no reason for deferring your trust plans. It is probably more important now than ever that you have trust protection, for every cent of your modest estate *counts* for your family. Experienced management may safeguard your assets, and procure more dependable income for your heirs.

• Let's discuss Trust Service at the first opportunity, because your family's future is one thing you can't afford to take chances with.

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL TORONTO

CANADA'S STAND-OUT BUY IN THE LOW PRICE FIELD

Now backed by a billion miles of proof!

1941 STUDEBAKER CHAMPION

Longer, wider, lower, roomier, torpedo-type bodies

Luxurious, stratoliner-style interiors

DELIGHTED owners have now rolled up a billion miles of proof of Studebaker Champion quality and dependability.

So make sure to put your money in this longer, lower, wider, roomier, more beautiful new 1941 Studebaker Champion.

It has a handsome new torpedo-type body that's styled as luxuriously as a stratoliner inside. It rides with delightful comfort.

And it gives you the same welcome kind of gas economy that enabled a Studebaker Champion to average 35.03 miles per Imperial gallon in the Gilmore-Yosemite Sweepstakes and decisively beat all the other largest selling lowest price cars.

Come in now and go for a Champion trial drive. Low down payment—easy budget plan terms.

STUDEBAKER
THE ECONOMY CHAMPION

10% TO 25% GREATER GAS MILEAGE

HIGHER TRADE-IN VALUE

LOWER MECHANICAL UPKEEP

"THANK YOU, CANADA"

An expression of appreciation by the Bata Shoe Company of Canada Limited, on the first anniversary of its operation.

WE are one of Canada's youngest industries. Yet we have reason at this time to acknowledge gratefully the chivalrous consideration that we have received from the people of this great British Dominion. We appreciate the opportunity that the free Dominion of Canada offers to industrial effort honourably conceived and honourably developed.

And because of this sense of gratitude to Canada, we feel that it is a privilege to declare our unswerving loyalty as a Canadian Company, not only to Canada, but to that glorious Empire of which Canada is a part.

We are a Canadian corporation, without direction or control from any person or corporation in the United States or elsewhere beyond the borders of the Dominion.

When we sought to establish our plant in Canada, we gave the Government of Canada an undertaking that:

(a) We would strictly live up to all laws, Federal and Provincial, that control hours and conditions of labour and rates of pay;

(b) We would employ Canadian labour;

(c) We would employ no under-age labour;

(d) We would pay our employees wages comparable with or better than the average of the industry in Canada.

(e) We would grant our employees holidays with pay consistent with sufficient length of service;

(f) We would plan our production policy to provide our employees with all-year-round employment.

We have faithfully carried out each of these undertakings—and this has been officially ascertained. Indeed, we have done even more for the welfare of our employees. Already, our factory is now employing over seven hundred Canadian workers, a large percentage of whom are making shoes for export and so aiding Canada's vital need for foreign exchange. In addition, we are happy that the establishment of our plant has brought new life and activity to the communities surrounding it.

The resources of this Company are already pledged to the furtherance of Canada's war effort. Moreover, we have encouraged our men employees to offer themselves for military service and many of them have done so. Many of our women employees are actively engaged, in their spare time, in providing supplies for the Canadian Red Cross. We are proud of the spirit that animates these activities, and we are glad to encourage them, for the sake of Canada and for the cause for which Canada and the Empire are fighting so bravely.

It is a wonderful thing to live and to work in a free country, and to Canada we reaffirm our loyalty and our faith.

Bata

SHOE COMPANY OF CANADA LIMITED

WILFRID W. PARRY, K.C., SECRETARY-TREASURER

THOMAS BATA, PRESIDENT

Investment Trends

Decisive Stock Action Slow in Developing

Previous Limits of Recovery Move Continue to Hold Stocks Back While War Plays Major Part in Investor Psychology

Stock prices still hover not far from the early September peaks, marking the high point to date in the recovery from the lows of May and June. Although markets on this continent have stalled in attempts to make further progress, London stock exchange indices have pushed ahead of new highs for the recovery. The London industrial share average at 81.7 on Oct. 7 was able to top the Sept. 6 high of 80.3 by a good margin.

At the same time, while stocks hover uncertainly and speculative interest is almost entirely lacking, measures of business activity keep pushing ahead. At 144.2, The Financial Post business index for August was well above any previous level. Reason for the discouraging action of stocks is not to be found in general business activity.

Entirely aside from the technical theory that a strong upward recovery from this year's lows can only be counted on after there has been a renewed test of support at lower levels, the war continues to play a major part in stock uncertainties. Even if danger of a German landing in Britain is less serious now than a month ago, this apparently only means the greater certainty that the war will take on new phases. While this is the case, the outlook must remain doubtful and investment confidence subject to serious shocks.

* * *

Power Contracts

A matter of considerable importance to investors in securities of Canada Northern Power Corp. is the final disposition of the litigation over the shift of the contract to supply Lake Shore Mines with power from Northern Ontario Power, a subsidiary of Canada Northern, to Ontario Hydro-Electric Power Commission.

Since last May Ontario Hydro has been supplying power for Lake Shore's operations, which was obtained from Northern Ontario Power prior to that date. Appeals have been entered, however, and the case appears certain to go to the Privy Council. It is not possible to forecast when it will be settled.

This Lake Shore case appears to be taking the importance of a test case on which may depend the contracts to supply other mines in that area. That it may be serious to Canada Northern is indicated by the reduced dividend on its common. As Power Corp. controls Canada Northern, this holding company suffers some reduction in revenue from this source although currently this is probably pretty well offset by better conditions for other operating utilities controlled by Power Corp.

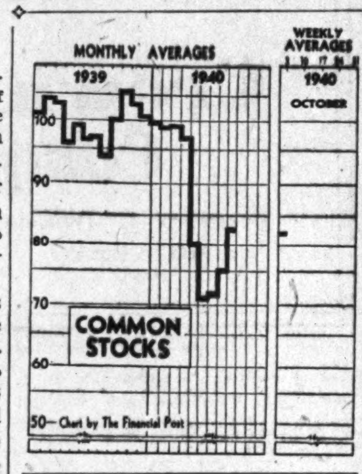
One solution sometimes hinted at is the eventual purchase by Ontario Hydro of the Northern Ontario Power properties in Ontario. Whether or not this will ever take place can hardly be forecast, but Hydro might be disposed to drive a pretty hard bargain. Of course, the whole situation would change materially if the Privy Council were to rule in favor of Northern Ontario Power.

* * *

Commodity Prices

Stock market students are always close watchers of trends in commodity prices, many holding that the first signal of a change in direction often comes from commodities. In wartime—or at least in this war—this signal may not be so reliable as formerly, but it is still worth watching.

In the United States, where markets are freer to discount actual conditions, there have been fairly steady upward moves in commodity price indices since early in August. The Moody index of spot commodity prices, for example, had risen to 160.8 at October 5 from 149.3 on



August 16. The Dow-Jones index of commodity futures, discounting the judgment of those who have to purchase commodities ahead, has come up from 48.74 at mid-August to 53.78 by October 5. Neither of these indices are very close to their levels of early May just prior to the invasion of Belgium and Holland.

* * *

Strive For Stability

Parallels between price movements in this war and in 1914-18 cannot be drawn, in the opinion of G. A. Renard of the National Association of Purchasing Agents in the United States. He discusses one feature of efforts to preserve stable prices that is of interest to Canadians:

"Tariff reductions or suspension of import duties could be used to permit materials, especially metals, to come in from South America and the British nations. Much of our industrial production is on orders from the Canadian and British governments. There is no good reason why those countries could not furnish raw materials wherever possible—duty free on a drawback agreement. That looks like a natural for it would relieve their exchange problem.

"We can extend our use of export licenses and embargoes to protect domestic supplies.

"Rigid controls over production and prices may be needed in extreme instances of shortages causing price gyrations. It is believed there is authority to impose them if necessary.

"Stock pile control and rationing could be applied to domestic materials as well as to the strategic imports."

Market Opinions

Most stock market commentators have been leaning toward the optimistic side recently although stressing the fact that the war continues to rule.

Barron's, N.Y. (The Dow Theorist)—There is no evidence yet that the secondary uptrend is over. It would still be possible for both averages to exceed the recent highs by a substantial amount, without exceeding the limits of a recovery in a bear market.

* * *

Brookmire Counselor, N.Y.—Expanding business is bringing rising earnings; defense orders aggregating billions of dollars still have to exert their real stimulus; and exports to Britain are proceeding apace. Notwithstanding the short-term uncertainties, the basic recovery plus the defense impulse warrant clients in continuing to favor progressive types of companies in dynamic industries.

* * *

Barron's, N.Y. (The Trader)—An industrial boom is at hand in the United States which promises to exceed that of 1929. Cumulative incoming orders are still mounting with activity spreading from the defense industries into civilian lines. Biggest problem, however, confronting industry from now on is to prevent a vicious wage spiral developing from the erection of huge new plants in labor-deficient areas. It is no longer a question of business backlogs, but of the amount of profit available therefrom by virtue of high taxes and wages.

* * *

The Annalist, N.Y.—From a technical standpoint events since the middle of June have been favorable, and a further upward readjustment of prices ought to occur before a decline of much consequence develops. Under present conditions, of course, any such optimistic view must contain the qualification that a sudden reversal could occur at any time in case of a serious British defeat or some pressing development in the political situation in this country.

* * *

Financial World, N.Y.—While the general outlook continues to favor higher prices for selected equities, the average investor would do well to confine the bulk of his holdings to stocks of good grade rather than those which may have the greatest potentialities for market appreciation.

* * *

Magazine of Wall Street, N.Y.—The dominant war uncertainties have merely shifted to new fronts. We do not expect important near term market advance and regard selected medium grade bonds and preferred stocks as more attractive than most equities.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940: Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	98.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Weekly Figures:												
Sept. 5	107.8	16.7	71.9	118.7	80.5	156.3	123.6	119.2	50.4	75.5	39.2	82.4
Sept. 12	106.4	16.3	80.6	123.4	83.0	164.9	124.9	120.9	51.4	76.6	39.5	83.6
Sept. 17	105.1	16.2	81.6	120.7	81.9	164.1	124.6	121.0	51.2	76.4	39.1	82.7
Sept. 26	106.5	16.3	83.5	118.9	83.2	165.2	126.5	123.1	52.0	76.0	39.3	83.4
Oct. 3	104.4	16.4	80.9	117.8	81.5	164.3	125.4	124.5	51.7	73.6	39.1	82.8

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Oct. 8	103.64	99.79	68.71	22.58
Oct. 7	104.22	101.25	69.09	22.97
Oct. 5	104.74	101.03	69.18	23.14
Oct. 4	104.98	101.31	69.14	23.10
Oct. 3	105.09	100.35	69.44	23.15
Oct. 2	104.75	99.46	68.94	23.08
Month ago	102.73	95.32	66.80	22.03
Year ago	121.47	107.09	89.32	34.59
High 1940	128.84	123.80	88.97	33.31
Low 1940	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Oct. 8	55.6	69.4	64.8	89.62	74.69
Oct. 7	55.7	70.0	65.2	91.25	74.07
Oct. 5	55.8	69.9	65.2	91.55	74.39
Oct. 4	56.2	70.6	65.8	94.01	74.31
Oct. 3	56.6	70.7	66.0	94.85	75.51
Oct. 2	56.4	70.2	65.5	92.05	75.39
Month ago	56.1	68.3	64.2	88.73	72.43
Year ago	64.6	88.2	80.3	135.55	96.28
High 1940	69.2	92.2	84.4	152.63	100.81
Low 1940	50.7	56.0	54.7	66.44	55.16

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Provincial—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Saskatchewan	Oct.	Dominion Securities, A. E. Ames & Co., Wood, Gundy & Co.	4%	1942	$3,000,000	*100	....
Prince Edward Island	Oct.	McLeod, Young, Weir & Co., Mills, Spence & Co., Bell, Gouinlock & Co.	4%	5-yr.	250,000	*100	....
				10-yr.	500,000	*99	....

*Offering price.

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Transcontinental Resources	Oct.	F. O'Hearn & Co.	5%	1950	$900,000	100	5%

Labor Merger Claimed Free Of C.I.O. Rule

New Canadian Congress Insists it is Completely Independent

The following letter has been received by The Financial Post from the Canadian Congress of Labor:

"Our attention has been called to an item appearing on page 82 of The Financial Post of Sept. 21, headed, 'C. I. O. Swallows Canadian Unions,' and reading, in part, as follows:

"'Lewis has been looking around for a cloak in Canada. He has found it in the All-Canadian Congress of Labor. This body has, up to now, thrived chiefly on its claim to be a purely Canadian institution, not under the domination of American labor leaders. Now it has been swallowed up by the C. I. O. The name, Canadian Congress of Labor, is being adopted. But the boss will be John L. Lewis.

"'Thus does the long and potent arm of the politically ambitious and leftist C. I. O. dictator strengthen its grasp on Canadian labor.'

Congress Protests

"The Canadian Congress of Labor is a wholly Canadian, autonomous, and independent organization of Canadian workers, who have complete control over their policies and activities in Canada. The executive committee and executive officers of the Congress, elected at the convention held in Toronto last month, are responsible to the Canadian workers who elected them to office, and to them only, and any suggestion or inference that our Congress or its officers are subject to the control of any person, body or organization outside it, is untrue and libellous both of the organization and of its executive.

"I am instructed by the executive committee of the Congress to bring these facts to your attention and to request an immediate and full retraction in the columns of your paper of the statements and inferences contained in the article referred to above. In that connection I enclose herewith for your further information a copy of an editorial which appeared in the September issue of 'The Canadian Unionist,' the official publication of the Congress, which sets forth its position in the matter."

NORMAN S. DOWD,
Secretary-treasurer.

Status of Organization

The labor journal editorial referred to by Mr. Dowd says in part:

"Freedom has been given to the Canadian locals of the international industrial unions to run their own affairs and determine their own labor policies. . . . They are as free in their own field of action, as far as the Congress of Industrial Organizations is concerned, as Canada is in relation to Great Britain.

"What this means is that the C. I. O. no longer functions in Canada; for all practical purposes there are no C. I. O. unions in Canada, to the extent that such a term implies control of Canadian labor policies by the central labor body known as the Congress of Industrial Organizations."

Editor's Note: Mr. Dowd's letter says the Canadian Congress of Labor is "a wholly Canadian, autonomous and independent organization of Canadian workers." The editorial in The Canadian Unionist says that "the C. I. O. no longer functions in Canada."

But the Canadian C. I. O. unions remain affiliated to their parent C. I. O. unions in the United States, which are under the domination of John L. Lewis, and the C. I. O. group dominates the new Congress in a 2-to-1 ratio.

For further news see page 17.

Investment Notes

George Weston—A year ago the company opened a new plant at Salamanca, N.Y., with 60 employees. During the past year wages paid in Salamanca amounted to over $153,000, according to the Salamanca Inquirer. Westons is now employing 216 at this plant and will distribute about $200,000 in wages this year as well as another $50,000 for various services and supplies in the city. The Inquirer pays tribute to the contribution which this Canadian company has given to the New York State city.

EWART G. VASEY WALTER F. HARRIS CHAS. R. BRONSDON

ANNOUNCE NEW HEADS

New executive direction of Crawley & McCracken Co. Ltd. and Murray's Lunch Ltd. has been announced. Fred C. McCracken, who died in June, had been president of both companies since 1922.

Succeeding Mr. McCracken as president of both Murray's and Crawley & McCracken is Walter F. Harris, of Montreal, who for the past 18 years had been vice-president and general manager of the two concerns. Mr. Harris joined the Crawley & McCracken Co. in April, 1914.

Charles R. Bronsdon, of Montreal, former general superintendent of Murray's Lunch Ltd., has been named vice-president and general manager of that company in place of Mr. Harris, and Ewart G. Vasey, of Toronto, formerly general superintendent of Crawley & McCracken Co. Ltd., has been appointed to a similar position in the latter firm.

Replacing Mr. Bronsdon as general superintendent of Murray's is Charles W. Wright, formerly of Toronto, who has also been named director, while William J. McGuinty, of Toronto, takes the post of general superintendent and director of Crawley & McCracken Co. Ltd. J. E. Cahoon, of Montreal, remains secretary-treasurer of both companies.

Officials of Murray's Lunch Ltd. announce that they will shortly open a restaurant in Ottawa, augmenting their 15 restaurants already operating in Montreal, Toronto and Sudbury.

War to Get Priority

(Continued from page 1)

purpose to the transformation of Canada's industrial economy into a war producer on a large scale.

Existing methods of control will continue to be used. They include taxation (designed to restrict imports or purchases of motor cars, radios, rubber tires, etc.); and promotion of public saving by war loan and war savings certificate campaigns.

What the public genuinely saves and invests in war loans it cannot spend to buy the output of Canadian factories.

Sudden Complete Volte Face

Nothing could be more sudden or more complete than the government's volte face on labor and compulsory military training.

For a year, the Government, judged by the record, has had but one objective—to place as many men as possible in the fighting services. Industry has been the forgotten arm of Canada's war effort. Nobody paid any attention to the warnings of industrialists. The well-considered memorandum placed in the hands of the Government by Lt.-Gen. A. G. L. McNaughton before he left Canada last fall—pointing out the necessity of conserving industrial manpower—went unheeded and largely unread. The work of the National Labor Council, created by order in council last June, was simply lost in the shuffle of other war business.

This body which is composed of industrialists and trade union representatives knew that the present war policy if pushed to its logical end would hamstring the war output of industry. But its counsel was ignored.

The Government, despite the views of the council, persisted in going on with the training scheme under which 300,000 young men are to be called.

Call-up Produced Crisis

The crisis which produced the present dramatic change in government policy on labor—indeed a fundamental change in the attitude of the Government toward the war effort—was caused by the calling of the first batch of 30,000 trainees and the refusal by Ottawa to grant exemptions. Many of the leading industrialists in the country wrote to Ottawa to declare that they would not be able to fulfill their contracts; that there would be grevious delays in the delivery of essential war materials and equipment because key men were being withdrawn from production lines to undergo training.

These declarations, plus publicity given to the growing menace of this situation, caused the Government over the past week end to reconsider its policy. The result is the sudden shift in plans, the belated but welcome recognition that industry is a major factor in the war.

But while the Cabinet has been at last converted, the task of unravelling the tangle into which the industrial side of the war effort has fallen will take time. To date, the Government has done no more than recognize its own mistakes and prepare to set things right.

Make Three Decisions

To this end, three decisions have been made:

1. The manpower problem presented by the, in part, conflicting demands of industry and the fighting services is to be studied in detail by the War Economic Advisory Committee. Priority is to be given to the needs of war industry.

2. An interdepartmental committee embracing, in particular, the three defense departments, has been set up to decide priorities in terms of equipment which has already been or is to be ordered. The articles most needed are to have the right of way both with respect to plant and to materials and labor.

3. Conferences between the heads of the departments chiefly concerned—Munitions and Supply, the Defense Departments, Labor and National War Services—are to be held to discuss the mobilization of manpower so as to attain the greatest results in terms of our war effort.

Impressive Group

The War Economic Advisory committee is easily the most capable non-cabinet body in existence at Ottawa. The chairman is W. C. Clark, Deputy Minister of Finance, and the secretary is R. B. Bryce, an expert of the Finance Department. Members are: Graham F. Towers, governor of the Bank of Canada; H. D. Scully, Commissioner of Customs; Hector McKinnon, Commissioner of Tariff, chairman of the Tariff Board, and chairman of the Wartime Prices and Trade Board; G. S. H. Barton, Deputy Minister of Agriculture; Charles Camsell, Deputy Minister of Mines and Resources; L. D. Wilgress, Deputy Minister of Trade and Commerce; R. H. Coats, Dominion Statistician; Lt.-Col. H. DesRosiers, Deputy Minister of National Defense; Norman Robertson, Department of External Affairs; and Prof. W. A. MacIntosh of the Finance Department.

The committee is somewhat large and, in view of the other responsibilities of these men, a little unwieldy, but if the problem can be got before them, wise decision may be taken for granted.

Gypsum Lime Plans to Use Gas

(Continued from page 1)

panding requirements have made natural gas supplies inadequate. The new gas producer plant will pay for itself in increased output and lower costs within a year or two, it is said.

Sales, Profits Up

Sales and profits of Gypsum, Lime & Alabastine for the first 10 months of the year which ends Nov. 30 next are well ahead of the corresponding period of last year, The Financial Post is told officially. Last year's net profit also was more than double that of 1938 and equivalent to 38 cents a share on the common.

Heavier taxes make it difficult to predict final results for 1940 but it is understood that net income, before income and excess profits taxes, may be double that of last year. Gypsum, Lime is preparing a case for special treatment under the Excess Profits Tax which will be presented to the board of referees to be appointed. The company's four year average taxable income would be about $103,000, well below last year's $200,453 net before taxes. Thus, unless some special consideration can be obtained as a "depressed industry," it is quite possible that net profits for 1940 will be little, if any, above those for last year in spite of higher sales and net income.

All Divisions Active

In the construction field, main source of demand for products of Gypsum, Lime & Alabastine is residential building. Company officials tell The Financial Post that this division has shown consistent gains over last year, making a better showing than published figures on residential construction permits would indicate.

The increased lime producing capacity is made necessary by demand from mining, newsprint, steel and chemical industries chiefly. This division finds its chief market in industrial users where prevailing activity is on a high scale.

The Financial Post is told that only a small proportion of the company's business comes directly from war work although indirectly a larger share of it may arise from this source. Even without the war stimulus it is felt that this year would have been a good year as the general trend in construction appeared to have turned up.

Dom. Engineering Output Diverse

War Orders Heavy, but Ordinary Business on Large Scale

From Our Own Correspondent

MONTREAL. — Manufacturing facilities of Dominion Engineering Works, while employed to a large extent upon the Dominion's war effort, are also engaged in the production of machinery and equipment for Canada's basic industries.

In the current issue of its house organ, the company lists a large number of jobs other than war contracts which have been completed within the past two months, or are presently under construction.

Plenty of Business

The list includes paper-making machinery for Hinde & Dauch and other companies; three 53,000 h.p. turbines for Beauharnois Light Heat and Power Co.; three 16,000 h.p. turbines for Quebec Streams Commission; a four-high brass mill for the Anaconda American Brass Co.; cold strip mill for Steel Co. of Canada; 16 Diesel engines; as well as a variety of plastics and transmission machinery.

In addition, the company has had, or has on hand contracts for a variety of chilled alloy iron rolls products.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	6%	1942	Dec. 31	105
Canada Cement	3½%	1941-4	Nov. 1	101
Drilling Cont.	5½%	1943	Jan. 15	100
Eastern Car	†6%	1962	Jan. 1	105

†Drawn by lot $44,000.

Bond Tenders

4 p.m., Oct. 22, Sherbrooke, P.Q. — $223,000, 4%, dated Sept. 1, 1940, maturing in series from Sept. 1, 1941 to Sept. 1, 1960. Ant. Deslauriers, clerk.

Foreign Power Status Mixed

German Occupation of France Confuses Outlook of Company

From Our Own Correspondent

MONTREAL.—Little or no word has been received by officials of Foreign Power Securities Corp. in respect to the French properties in which they hold an investment interest.

Foreign Power Securities was formed in 1927 as a holding company. Its capital of more than $10 millions was invested in French utility securities, the principal investment being in L'Energie Industrielle and Energie Electrique Rhone et Jura. However, the company has a stake in many other French utility properties which serve a very considerable area of France.

A number of the French utilities in which the company is interested are in the German-occupied area. Other investments in the "free" area are of little immediate value to Foreign Power Securities, inasmuch as they cannot send any funds outside the country, though in some cases dividends have been declared.

The situation in Europe is such that it will be some time before the company can determine the value of its investments in occupied and "free" areas of France.

Deferred Bond Interest

Because of war Foreign Power Securities found it necessary before the fall of France to defer bond interest. The coupon due on June 1 was not paid as the company did not earn interest charges during the period.

Subject to audit by the company's auditor, gross revenue for the 12 months ended March 31, 1940, amounted to $94,095 and the net revenue to $76,278. As interest on the funded debt for the same period was $121,355, including exchange, the 12 months operations resulted in a deficit of $46,904.

No New Taxes For Ontario

Income Tax Rates and Exemptions to Remain Unchanged

No new personal income or corporation taxes or increases in existing rates are "presently contemplated" by the Ontario Government for the fiscal year beginning April 1, 1941, Premier Mitchell Hepburn has announced. Nor is there any intention to alter exemption or allowances provided in The Ontario Income Tax Act.

Ontario will also, the announcement says, accept the findings of the War Contracts Depreciation Board so that for Ontario Income Tax and Corporation Tax purposes the rates of depreciation allowed will be those established by the Commissioner of Income Tax for Canada.

Rates of income tax charged by Ontario previously represented one half those imposed by the Dominion authority. This will no longer be true in view of the sharp rise in Dominion wartime rates.

Lose $1.5 Million

By keeping present rates and terms of exemption it is estimated Ontario will lose over $1.5 million in income tax revenue.

The reason is that the Ontario Income Tax Act allows the taxpayer to deduct the amount of the tax he pays to the Dominion from his income before computing the amount he pays the province.

As Dominion rates have been raised and the exemptions lowered, the amount of tax each taxpayer pays to the Dominion will be substantially increased resulting in a considerably smaller sum on which the Province will tax.

When, under the former Dominion schedule, the tax on the first $1,000 of taxable incomes was $30 plus 4% on income over $1,000 and under $2,000, the Ontario tax was $15 on the first $1,000 and 2% on income between $1,000 and $2,000. Now the Dominion Tax is $75 on net income of $1,000 and 12% on the amount between $1,000 and $2,000.

This is where the province loses. Formerly the taxpayer with a net taxable income of $1,000 deducted $30 from the $1,000 before computing his provincial tax, he now deducts $75; where formerly the citizen paid taxes to the province on $970 he will now pay tax on $925. In this instance, therefore, Ontario will collect $13.95 instead of $14.55

Silverw'd Plan Gets Support

Progress is officially reported by Silverwood Dairies Ltd. in the proposal to smooth the way for a dividend on the common stock.

A meeting of holders of the 6% registered sinking fund debentures has been called for Nov. 1 to consider an adjustment in terms of the trust agreement. The amendment would permit a distribution on the common stock provided it would not reduce surplus below $100,000. Present terms require surplus not be reduced below $200,000.

Response from debenture holders to the proposal has been favorable, according to officials sponsoring it. Several hundred proxies have been received, and the 50% of votes necessary to give a majority is close to being obtained. The balance is expected to be achieved within a few days, barring unforeseen developments.

The Financial Post learns that mild opposition to the plan has been expressed among some debenture holders. No organized opposition, however, has appeared yet in the open.

Demolition of a building at the main plant in London has started, preparatory to construction of a new two-story $50,000 unit. This is part of the company's $110,000 expansion programme and will be completed before June, next.

Limited Grain Movement Halts Rail Income Climb

From Our Own Correspondent

MONTREAL.—Limited movement of grain is reflected in the gross operating receipts of the Canadian Pacific Railway and Canadian National Railways during September. In that month the two roads reported a gross operating income of $36,765,220, compared with $41,969,118 for the same month last year.

Canadian National earnings in September at $21,119,220 represent a decrease of 6.8% from the same month last year. This was the first decline from a year ago in any month since Feb., 1939.

Canadian Pacific Railway's gross operating income in September of $15,646,000, was $4 millions less than a year ago. This was the first reduction in the company's gross revenues since that experienced in October of last year.

Well Ahead To Date

For the first nine months of 1940 the two railways had an operating income of $300,263,991, as against $247,688,938 the previous year. Of the current income the C.P.R. accounted for $121,848,000, or 15.6% more than in 1939, while the Canadian National had $178,415,991, or 25.4% more than in the like period a year ago.

Comparative monthly returns on the gross operating income of the two railway systems follow:

Canadian National Railways

	1940 $	1939 $	1938 $
Jan.	17,601,735	13,495,008	13,321,623
Feb.	17,722,756	13,069,775	13,289,721
Mar.	18,049,624	14,632,661	14,611,629
Apr.	17,668,164	14,452,302	13,924,855
May	20,281,335	16,842,266	13,909,678
June	22,359,937	15,189,521	13,702,244
July	22,395,032	15,563,648	14,176,717
Aug.	21,220,188	16,355,456	15,351,329
Sept.	21,119,220	22,645,304	17,849,629
Total	178,415,991	142,245,938	130,337,425

Canadian Pacific Railway

	1940 $	1939 $	1938 $
Jan.	12,244,544	9,699,062	10,315,460
Feb.	11,915,419	9,195,884	9,362,913
Mar.	11,477,555	10,450,845	10,467,979
Apr.	12,043,923	10,113,601	10,413,009
May	13,511,521	11,994,295	10,562,621
June	14,191,708	10,354,157	10,144,944
July	15,303,416	11,657,404	11,090,026
Aug.	15,512,883	12,655,361	12,183,304
Sept.	*15,646,000	19,323,814	15,785,278
Total	121,846,969	105,444,423	100,346,138

*Preliminary and based on three weekly reports plus final nine-day report.

Humberstone Net Up 55%

Shoe Company Reports Big Increase in Sales—Inventories Higher

Substantial increase in earnings of the Humberstone Shoe Co., Humberstone, Ont., is reported for the year ended July 31, as compared with the previous 12 months, after providing for increased taxes—including the "excess" profits impost. Net profit of $22,323 is up almost 55% from 1938-39.

The improvement is attributed by H. H. Knoll, president and general manager, to a jump of $322,961 in sales.

Sharp drop in cash and bank advances of $60,665 made during the year were due to an increase in inventories, principally of raw material, Mr. Knoll reports. Raw materials of $255,810 at July 31, last, were up almost $97,000 from 12 months previous, and are valued on the usual basis of approximate cost.

Actual market prices for certain raw materials were lower than cost at July 31, last. It is anticipated by the president, however, that the present rising market prices will more than overcome this decline in the immediate future.

The annual meeting will be held Oct. 16 in Toronto.

Eastern Car Co. Reduces Bonded Debt

From Our Own Correspondent

MONTREAL. — Eastern Car Co, subsidiary of Nova Scotia Steel & Coal Co., has called for redemption on account of sinking fund $44,000 of its 6% first mortgage bonds, payable Jan. 1, 1941, at 105 and accrued interest.

At the end of last year the company had outstanding $420,800 of bonds, which will be reduced to $376,800 with the present redemption.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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TOWNSHIP OF SCARBOROUGH

Notice of Intention to Redeem Certain Debentures

To the Holders of Debentures of the Township of Scarborough dated the 1st day of January, 1940, and maturing in the years 1941 to 1945 both inclusive.

NOTICE IS HEREBY GIVEN that the Township of Scarborough intends to and will on the 15th day of December, 1940, redeem its debentures dated the 1st day of January, 1940, which mature in the years 1941 to 1945 both inclusive as hereinafter set forth by payment to the holders thereof of One Hundred per centum of the face value of the said debentures to be so redeemed and accrued interest thereon to the 15th day of December, 1940, after which date interest will cease to accrue and such debentures shall become due and be payable on such date. Payment will be made at the principal office of the Canadian Bank of Commerce in the City of Toronto upon surrender of the debentures redeemed together with all unpaid coupons thereon. The said debentures to be redeemed are $140,040.52 in aggregate principal amount and are a portion of a larger principal amount of debentures dated the 1st day of January, 1940, which were issued pursuant to By-law Number 3006, passed the 12th day of February, 1940, as provided for by a plan of refunding, readjustment and reorganization of certain debentures of the said Township dated 1st day of December, 1939, and confirmed by Order of the Ontario Municipal Board dated the 22nd day of December, 1939. The said debentures to be so redeemed are as follows:

DEBENTURE NUMBERS

805-26	1070-16 M	1220-14 F	1346-42	1538-82
842-23	1070-16 N	1222-14	1346-43	1538-83
846-23	1071-16	1222-14 A	1346-44	1538-84
847-23	1091-15	1222-14 B	1392-11	1538-85
891-21	1094-15 A	1222-14 C	1410-9	1538-86
900-21	1094-15 B	1225-14	1413-11	1538-87
961-19	1094-15 C	1225-14 A	1414-27	1538-88
963-19	1094-15 D	1225-14 B	1414-28	1538-89
986-30	1094-15 E	1249-13	1414-29	1538-90
986-31	1094-15 F	1282-13	1415-11	1538-91
990-18	1109-15	1282-13 A	1416-11	1538-92
1003-17	1109-15 A	1282-13 B	1417-32	1538-93
1007-17	1122-15	1282-13 C	1417-33	1568-9
1025-17	1124-15	1282-13 D	1417-34	1569-9
1045-16	1124-15 A	1282-13 E	1417-35	1570-17
1049-16 A	1124-15 B	1282-13 F	1430-12	1570-18
1049-16 B	1124-15 C	1282-13 G	1430-13	1587-26
1049-16 C	1124-15 D	1282-13 H	1450-10	1587-27
1067-16	1137-15	1282-13 I	1491-10	1587-28
1068-16	1161-15	1282-13 J	1494-30	1587-29
1070-16 A	1169-15	1282-13 K	1494-31	1652-21
1070-16 B	1171-14	1283-13	1494-32	1652-22
1070-16 C	1175-14	1283-13 A	1494-33	1652-23
1070-16 D	1179-14	1283-13 B	1495-10	1653-17
1070-16 E	1200-14 A	1283-13 C	1496-10	1653-18
1070-16 F	1200-14 B	1329-12	1500-31	1653-19
1070-16 G	1220-14	1332-12	1500-32	1656-8
1070-16 H	1220-14 A	1333-14	1500-33	1695-7
1070-16 I	1220-14 B	1333-15	1500-34	1782-22
1070-16 J	1220-14 C	1334-12	1501-10	1782-23
1070-16 K	1220-14 D	1346-40	1538-80	
1070-16 L	1220-14 E	1346-41	1538-81	

DATED at the Township of Scarborough this 1st day of October, 1940.

B. L. CLUTTERBUCK, Reeve. J. O. KESSACK, Treasurer. J. T. STEWART, Clerk.

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Bond Markets

Investors See Strength For Bond Prices

First Quotations on Second War Loan Better Than Expected — Heavy Maritime Maturities to Be Met Next Month

Observers look to continued firmness of the bond markets. Greater strength than anticipated has been shown in prices on the second war loan issue in first trading. This is held as indicating that the high-grade markets will remain strong.

Better business gradually improves the position of corporation issues and the tendency toward higher quotations continues. The trend is particularly noticeable among the more speculative issues, and the scales appear to be weighted more heavily in favor of appreciation than decline. Disturbing war news, on the other hand, might reverse the trend.

Attention of investors has shifted from western to maritime provinces, which have two heavy maturities to be met Nov. 15. New Brunswick has $2 millions of 3% bonds and Nova Scotia $3 millions of a 2½% issue to meet. Successful hurdling of the big Oct. 1 maturity by Saskatchewan brings 1940 refunding for the western provinces virtually to a conclusion. The New Brunswick maturity is complicated by the requirement that payment must be made in U. S. funds.

Bond prices continue to hold strong throughout the list from high-grade government to speculative corporation issues. Trading still is abnormally light, but this condition might change very rapidly.

* * *

Maritimes Next

Refunding of heavy provincial bond issues remains a problem—in spite of the yeoman work done last week when Saskatchewan's refunding was arranged until 1942.

Two maritime provinces, New Brunswick and Nova Scotia, are of immediate concern, with maturities of $2 millions and $3 millions respectively falling due November 15. The distinction of being Bond Problem Province No. 1 for 1941 will likely go to British Columbia. The questionable honor during the current year went to the mid-prairie province—which had maturities totalling $7.5 millions.

The problem is magnified about fivefold in the case of the coast province. B. C. has maturities coming up, totalling $24 millions, plus £3.5 millions due in London. A $1.4 million issue falls due on December 31, next.

Refunding of provincial issues has been growing progressively more difficult, but there still appears to be no question of default in the case of the two maritime issues. Nova Scotia is reasonably sound financially, and its revenues should be on the up-trend. Business has been growing as rapidly as in any province—possibly more rapidly—since the outbreak of war, and there is promise of further substantial development. Quotations on N. S. bonds have been stronger—the 3½% issue maturing in 1950 being quoted currently at about 98.50, up two points from six weeks ago.

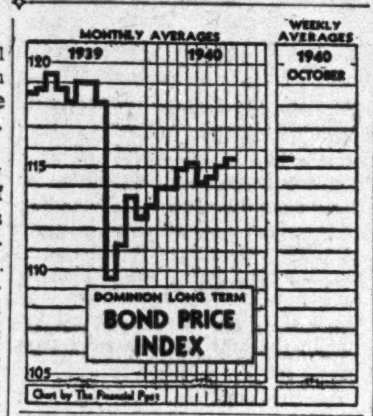
New Brunswick is not ranked by investors among the provinces enjoying "high-grade" rating, but it is benefitting from the same improvement in economic conditions which has stimulated Nova Scotia. In recent years an unfavorable trend has been established in N. B. revenues and expenditures. But a small surplus was budgeted for this year, and capital expenditures have been cut drastically. Reflecting recent improvement, quotations on the province's bond issues have firmed. Current price of about 87 on the 3½% issue maturing in 1956 is up 1½ points from six weeks ago.

* * *

New Financing Off

Wood, Gundy & Co. figures of new corporation financing in the first nine months of the year reflect the indirect entry of the Dominion Government into the field.

Aggregate of new corporation bond financing in the period amounted to $27.3 millions — down practically $200 millions from the



corresponding period of 1939. The figure is equal to only about half of that for 1938—a year of much lower industrial activity.

Major expansion on the part of corporations this year has been mostly on behalf of direct war production. Any such extensions or construction of new plant is financed directly from Ottawa—creating a gap in new financing done directly through the public.

The Wood, Gundy figures also reveal that the policy of retrenchment in capital expenditures urged upon municipalities "for the duration" has proved effective. Total new municipal financing of $6.4 millions for the first nine months of the year compares with $23 millions for the like 1939 period and $20.2 millions in the 1938 period.

The retrenchment policy has not proved so successful on the part of the provinces, however, due to heavy maturities this year—particularly in the case of Ontario, Quebec and Saskatchewan. New financing of $110.1 millions is down from $124.3 millions in 1939, although well ahead of the 1938 total of $52.6 millions.

Demands of the war on Ottawa for $550 millions of new borrowing has boosted the total of new Dominion financing in nine months of this year to $930.6 millions from $204.5 millions in the 1939 period and $238.5 millions in 1938.

Comparative figures follow:

New Bond Financing
9 Months Ended Sept. 30
(Millions of $)

	1940	1939	1938
Dominion	930.6	204.5	238.5
Provincial	110.1	124.3	52.6
Municipal:			
Ontario	3.6	6.7	4.2
Que. & Marit.	1.9	16.1	14.4
Western	0.9	0.2	1.6
Total municipal	6.4	23.0	20.2
Total govt.	1,047.2	351.9	311.2
Total corp.	27.2	174.5	54.6

* * *

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 115.5 for week ending Oct. 3 was down 0.1 from the previous week. It was 5.7 points higher than in the same week of last year and down 0.2 points from the corresponding week of the previous month.

DOMINION OF CANADA
Long-term Bond Index

	Latest week Sept. 27-Oct. 3	Preceding week Sept. 20-26	Weekly average year ago
Price	115.5	115.6	109.8
Yield	71.3	71.4	78.3

Offer 4 Lectures On Art of Selling

The Advertising and Sales Club of Toronto announces that it is again offering a special series of lectures on the art of selling.

The programme includes:

Oct. 31—R. C. Borden, "As Customers Like It."

Nov. 7—V. E. (Sam) Vining, "Retail Selling."

Nov. 14—Elmer Wheeler, "Sizzlemanship."

Nov. 21—Vash Young, "Fortune To Share."

R. C. Borden is director of sales promotion—The Borden Company (Elsie, the Cow), New York. Sam Vining is merchandising manager of Proctor Electric Company, Philadelphia. Elmer Wheeler was a popular speaker in the last series. Vash Young is a salesman of wide reputation. The price is $2 for the four lectures; the place, Massey Hall, Toronto.

Bond Sales

Dominion Treasury Bills

Yield of 0.648% is reported on an issue of $35 millions Dominion of Canada Treasury Bills dated Oct. 1, maturing Dec. 31. This compares with 0.647% for the previous issue. Price of 99.83875 for the Oct. 1 issue compares with 99.838817 for the Sept. 13 sale.

Current issue is to redeem $25 millions dated July 2 and $10 millions sold May 1. The latter amount was issued in connection with the Dominion Government taking over the gold reserves of the Bank of Canada on May 1.

Suggests Cut In Interest

Vancouver's Growing Finance Problem May Hit Bondholders

Vancouver's city council is receiving protests against its proposal to ask wider tax powers from the provincial government. Suggestions to overcome the municipality's growing financial difficulties include a proposal to cut interest rates on debenture debt.

A charter amendment is being sought which would give the city authority to levy a larger tax for the general purposes of the municipal services. At present it is limited to a 20-mill levy for all expenses but debt charges and school costs. Tax rate this year includes 18.714 mills for general purposes.

The problem has developed as a result of declining assessment and increasing costs and population. Gross levy of 39.88 mills brought in more revenue in 1932 than the figure of 49.635 mills in 1940. The rate has gone up 11 mills—receipts have dropped $1.2 million, due to a decline in assessment of $64.5 millions to $208 millions. And the city is servicing 22,000 more people as compared with eight years ago.

Citizen groups, however, are opposed to lifting the present tax rate barrier. Meetings held by Vancouver Federated Ratepayers and the Associated Property Owners have resulted in protests to the city council. The opposition indicates it will carry the fight direct to Victoria if the council's proposal is not dropped.

The suggestion for cutting debt servicing charges comes from the Vancouver Sun, while discussing the problem editorially. It argues the taxpayer already is bearing a heavy load in connection with the war, and that "a share-up of wartime sacrifices on the fairest and soundest basis cannot overlook the municipal bondholder."

Trading Volume Up at Toronto

Prices Show Small Gains in September But Loans Down Again

September was the most active month the Toronto Stock Exchange has had since last May. Volume of trading last month was 3,502,717 shares, up 1,007,262 from August but far below the 11,151,464 shares of September, 1939. Value of transactions was $6.5 millions in September last compared with just under $5 millions in August and $44.1 millions in September last year.

Prices improved in September, the industrial index at Toronto gaining 3.83 points to 102.99. A year ago this index stood at 120.96. The index of gold shares was up 1.14 in September at 98.08 against 104.71 a year ago. Base metals closed at 68.53, a gain of 2.80 for the month but well below the 89.45 for Sept., 1939. Index of western oils gained 1.21 to 22.96 against 35.18 a year ago.

Oils, senior golds, construction and finance were the divisions showing greatest gains while declines were reported for the motor and allied group and paper stocks. Quoted market value of the 529 listed stocks at the end of September was $3,993.2 millions, an increase of $129.7 millions from the end of August but down from $693.6 millions from a year ago.

Brokerage loans showed another slight decrease last month, closing at $8.3 millions, decrease of $386,736 from August and down $6.9 millions from Sept., 1939. Ratio of borrowings to market value of all stocks was .21% compared with .23% a month ago and .32% a year ago.

Fear Municipal Revenues Pinched by War Taxes

Some Canadian municipalities feel that increased Dominion taxes may eventually take such a proportion of income that local tax collections may be affected, the Municipal Finance Officers Association of the U.S. and Canada reports after a study of 50 member municipalities in Canada.

Collection of local property taxes so far, it adds, has improved in nearly all municipalities. A burden has been imposed, however, by the special treatment for tax payments frequently granted to men who enlist in the armed forces.

Features of the effect of the first year of the war include the sharp reduction of relief costs and the reduction or elimination of the construction of capital improvements. In connection with the latter, it is stressed that the accumulation of needed public works may be used to adjust employment during the period immediately following the war.

The Association finds that some resistance has been noted to the sale of municipal bonds. Slight increases in interest rates have been reported, although this is not general.

Municipal administration costs have increased due to the increase in prices of certain materials, supplies and equipment. Coal and medical supplies are some of the things affected by adverse exchange conditions with the U.S. and the rising costs within Canada itself. Donations to patriotic societies also are heavy, while local governments which sold bonds payable in American funds prior to the war now are paying a heavy penalty.

Expect No Change In Pulp Prices

From Our Own Correspondent

MONTREAL. — Contract prices on chemical pulp in the United States for the last quarter of 1940 are expected to remain unchanged at their bidding levels, according to opinions expressed in American pulp circles.

Of late the price situation in chemical pulp has been easier with the trend downward. The highest pulp price of a short time ago is not expected this year.

P.E. Island Sells $750,000 Issue

A syndicate composed of Mills, Spence & Co., McLeod, Young, Weir & Co., and Bell, Gouinlock & Co., is offering a $750,000 issue of Prince Edward Island 4% bonds. The issue is made up of $250,000 five-year and $500,000 ten-year bonds—the latter callable in 1948. The bonds are priced at 100 and 99 respectively.

The issue will not increase the province's net debt. Proceeds are being used to refund bank loans originally made for capital expenditures. Total net debt, funded and unfunded, was $7 millions at Dec. 31, 1938.

Previous financing was $400,000 of 4% bonds sold in July at 99.5 to yield 4.11%, maturing in 1945. Proceeds from the issue also were used principally to refund bank loans made for 1939 capital expenditures.

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TORONTO, OCTOBER 12, 1940

No Time to Relax

Autumn fog and storm already shroud the shores of England.

Because of this, and because a fateful month has passed without invasion, many who have been watching with bated breath the Battle of Britain now heave a sigh of relief.

Even Canada's Prime Minister was quoted as saying last week at a press conference that the international situation was "less anxious now."

He gave this as a reason for not calling Parliament into session in November.

• • •

Yet what a tragic, ghastly error for anyone to relax for one precious minute merely because Nazi hordes withhold their threatened invasion of Britain.

Surely the stark, incalculable lessons of last winter are screaming reminders of the folly and danger of that sort of complacency.

"Time," as Sir Norman Angell pointed out so emphatically last week, "is the essence of defence against Hitler. To be late in the strategic decisions of that struggle is to be too late."

Month after month last winter, Canada's war effort lay flaccid and still because time, seemingly, was on our side. Lacking the goad of a German attack we allowed ourselves to be lulled into a fool's paradise of inaction once the first few weeks of war were spent.

• • •

To repeat that blunder—even in the slightest degree—would be to court disaster and defeat.

Canada's vast industrial war plant is just now getting its wheels tuned up. As expert commentators who recently visited this country from the United States point out, it will be from eight to twelve months before we can become a major factor in the war. These same visitors found the nation extraordinarily determined and eager in prosecuting the war but lacking in "group enthusiasm" or "emotional appeal."

• • •

The danger is that this lack of inspirational leadership, combined with a false sense of what the Prime Minister terms a "less anxious" international situation, may cause a slackening—be it ever so slight—in the terrific pace at which this country must work and labor in the coming winter months.

We need a Winston Churchill to rouse the last ounce of blood and marrow in our bones rather than a Prime Minister who sends Parliament home because these are "less anxious" days.

Industry Aids Science

In the days that are to come, one of the great stories of Canada's war effort will be the part her scientists and research workers have played in hastening and ensuring victory.

And when this story can be told, the part which public-spirited corporations have played in financing this research will be a matter of much pride and congratulation.

Some of this story came out a few days ago at Ottawa.

It was revealed that the T. Eaton Co. and the Bronfman brothers of Montreal had each contributed $250,000. Substantial amounts were stated as coming from International Nickel Co., C. P. R. and Consolidated Mining and Smelting Corp.

The Post also reported last week that the million dollars already subscribed would shortly be increased by $250,000 from a group of mining companies and $250,000 from Canadian steel companies.

This money is not being used only to ensure victory.

Much of it will lay foundations for important native industries in the days of peace.

Some of Canada's most successful industrial enterprises had their start in the expansive days of the last Great War. History will undoubtedly repeat itself.

Those who are now grub-staking scientific research for war may live to see their contributions reach fruition as great Canadian industries of the future.

Eliminate Passports

One result of the recent visit of U. S. journalists to Canada is an editorial appeal in the New York Times urging the State Department to abolish passport requirements for Canadian visitors to the U. S.

The Times calls this an "obvious mistake" and adds:

"While it is important to bar undesirable aliens, the economic loss sustained in the free interchange between the two countries is far more obvious than the gain achieved. The passport requirement should be rescinded, and every effort should be made to correlate and complement the activities of the two nations."

For reasons which most Americans well understand and respect, Canadian travel to the United States has been curtailed by dollar exchange restrictions. The passport formality has added to these travel problems.

One of its most serious results has been to confuse potential U. S. visitors to Canada. Many American friends when they hear the word "passport" jump to the erroneous conclusion that a passport is needed to visit Canada.

Canada's new organization to co-ordinate tourist trade should follow the Times suggestion through; discuss the matter openly and frankly with U. S. officials to see if a passport is really essential.

In 1940, the passport proposal came at the very height of the tourist season. Had it been deliberately promoted by enemy agents it could not have appeared at a more unfortunate time. It affected not only the big July 1 and July 4 holiday traffic but also thousands of people who were then making their summer plans. It was undoubtedly used by Nazi propagandists to twist and distort the friendly nature of travel relationships between the two countries.

The New York Times has provided an excellent wedge to use in removing this obstacle to inter-nation travel.

War and the West

Recently, Ottawa announced the establishment of a $15,000,000 chemical plant in Alberta.

This is not the first big plant the war has brought to the Prairie Provinces. It will not be the last. In fact the war may well change the whole course of economic history in that rich but sparsely settled region which stretches from eastern Manitoba to the Rocky Mountains.

So far, the West has depended largely upon agriculture. And, in that agriculture there has been great dependence on one line, wheat.

Even when world markets were open and the price of wheat satisfactory, there was far too much risk in such exclusiveness. Everything depended upon favorable weather. Drought, rust, frost and grasshoppers, alone, or in discouraging combination, might quickly reduce a potential $400 millions crop to almost nothing. Farmers, merchants, railroads, elevator companies, financial institutions — all rose or fell with the one barometer.

The West has long recognized the danger of this too-great-dependence on one crop. But switching to something else was not easy. The major obstacle was not a suitable climate or soil, but the lack of an adequate local market. Mixed farming must have a nearby profitable outlet for a fair portion of its production. This sort of farming naturally reaches its maximum development adjacent to large industrial centres. Establishment of war industries in the Prairie Provinces may prove the nucleus of such industrial centres in the future.

And there will be another and significant advantage.

Twenty-five years ago the West was in the settlement stage. There was free land and plenty of work for all applicants. Second and third sons of the pioneers could get a new farm by simply going a few miles beyond the end of the steel.

That is not the case today.

Practically all the suitable farm land has been taken up, indeed some not so suitable as well. However, the introduction of modern farm machinery has eliminated much of the back-breaking hand labor required by farming of a generation ago. The result is a growing surplus of population in the prairie agricultural areas.

Utilization of the industrial and mineral resources of the three Prairie Provinces will tap this surplus labor and check an embarrassing and uneconomic migration of population from West to East.

Municipal Economy

Whatever the outcome of the Rowell-Sirois recommendations, Canadian municipalities, like other governments, face an urgent need for economy.

The Royal Commission report holds out a prospect for the relief of local governments by lifting unemployment relief expenditure.

As welcome as this would be to the municipalities, implementation of the report's recommendations is not an accomplished fact, nor is its future at all certain. Such hopes should not cause the municipalities to slacken their efforts toward economical administration.

Much of the responsibility for ensuring sustained economy in the municipal field lies with provincial governments. In discharging its duties in this field, the Ontario Government has done well since 1934.

In five years the Ontario Department of Municipal Affairs has helped place municipal credit on a sounder basis in the province. Municipal debt has been reduced, the burden on real estate is gradually being lightened. Improvement in business conditions has played a part, but without decisive action it would have been more or less haphazard and delayed development.

By reallocation of taxing powers in 1936 the Ontario Government took from the municipalities the right to levy personal income taxes. This right was exercised in very few cases. The tax was difficult to collect and unequal in application.

The Provincial Government gave in return an annual dividend, based on mill rate of assessment. Payments of more than $10 millions have been made since this system was started. In the current year the Ontario Government deemed it necessary to reduce this payment to one mill from one and a half mills in the previous year.

Other concessions have been made to improve the municipalities' lot. The entire cost of old-age pensions, mothers' allowances and treatment for tuberculosis was assumed by the province. County administrations were relieved of 20% of provincial highway costs, which they previously shared. Subsidies for township roads were increased.

The Department can also be given a large share of the credit in reducing gross municipal debt by $80 millions in five years, and making substantial strides in eliminating defaulted municipal debt.

Ontario has been in a much better financial position to render aid than most provinces. But results of the methods used in dealing with municipal affairs have been good enough to warrant study by other provinces.

Action on the Rowell-Sirois Report

Speaking in New York recently to the National Tax Association, R. M. Fowler of Toronto, who was attached to the Rowell-Sirois Commission and whose informative articles on the Commission's findings, have been published in The Financial Post and Maclean's Magazine, made these statements:

"How great would be the dividends which we might expect from a courageous adjustment of our constitution to meet modern needs.

"This report offers to Canadians a carefully devised plan for the improvement of the Canadian system and an opportunity to increase national efficiency at a time of national emergency.

"Will we Canadians have the courage and the vision to make desirable changes in our system by the difficult processes of democracy? That seems to me to be the significant question raised by the report. It provides, I believe, a test of the quality of our democracy."

This latter question is being asked increasingly in Canada as the weeks pass and no attempt is being made to consider or discuss the Commission's findings.

A recent editorial in the Canadian Statesman of Bowmanville urges not only the widest publicity, week by week, for this "masterful and far-seeing document." It also urges its careful and immediate study by Parliament when it reassembles in November in order to outline "the shortest route of action."

War's impelling demands have not sidetracked the urgency of a new dominion-provincial deal. The need for simplifying and improving our governmental machinery increases with each additional wartime obligation we assume.

Editorials in Brief

Presence in England of Hon. James Gardiner gives added point to the demand that he be relieved of one or other of the two major portfolios he now carries.

Doubtless there is important work for Canada's Minister of Agriculture to perform in England. But there is a full-sized job in Canada for the Minister of National War Services.

There is a chance here for the Prime Minister to "strengthen cabinet leadership by drawing upon Canada's best executive brainpower, irrespective of political considerations."

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Referring to The Financial Post issue of September 21 on Canada's Industrial Front, the Lethbridge Herald remarks that this story is "a far cry from the derelict row over Bren guns which filled the columns of The Financial Post and Canadian papers generally a couple of years ago."

No, it is Canada's war effort that is today a far cry from the fumblings and ineptitude which marked defense policy and programme in those days.

Significantly, the machinery for placing war orders and through which several hundred millions worth of business has now been placed was a direct result of the lessons learned at the Bren enquiry. One of the U. S. journalists who visited Canada recently devoted considerable attention to this phase of Canada's war effort. He urged Washington to pay particular heed to the dispatch and ease with which Canada handled her war contracts.

The Canadian Editorial of the Week

Belated Co-operation

Woodstock Sentinel-Review

Concurrent announcement is made from Hamilton by Canadian National Railways and Canada Coach Lines that a co-ordinated rail and bus service will be operated in that district. A daily train from Hamilton to Niagara Falls will be discontinued, and passengers will be carried by bus over the Queen Elizabeth Way, C. N. R. terminals being used as at present. Furthermore, buses which now serve the Galt, Kitchener, Guelph and Burlington areas, and provide connections to Buffalo, St. Thomas and elsewhere, will proceed from the Hamilton bus terminal to the Canadian National station there for convenience of passengers wishing to make train connections. In fact, buses will meet all C.N.R. trains into Hamilton.

Canada Coach Lines has placed an order for five new 29-passenger buses, and expects to increase the number by spring.

The statement is made that this will be the first service of its kind in Canada. If so, the step is belated, to put it mildly. The railways have been losing short-haul passenger traffic for many years and have always refused to take the only possible action to hold it. Senior officials have stood fast upon the theory that the business of railways is to handle rail traffic and not to attempt operation of highway carriers. There can be little doubt that this was an unwise policy. Earlier in the development of bus systems the railways could have entered the field with ease and prevented much traffic they have lost, departed. Now it is a case of arrangement with established highway carriers, who will naturally keep the revenue they earn.

Up to the present there has not even been co-ordination of bus and train schedules in the interest of the travelling public. The thickly populated Niagara Peninsula is an excellent place in which to inaugurate it. Both types of carrier should gain, but much more the public.

Sayings of the Week

"In the last analysis liberty needs no lobby in the United States of America." — *Leonard W. Brockington, K.C.*

"The human world as we know it is the product of work—work with the hands or work with the brain."—*Nicholas Murray Butler.*

"I was often described in normal times as a man who looked as though he slept in his clothes. The description is accurate enough now I have been sleeping in them."—*J. B. Priestley.*

"Germany is not only the conqueror but the prisoner of Europe."—*Sir Willmott Lewis.*

SABOTAGE —Cartoon by Grassick.

Post-Scripts . . . . . .

"Idea" Man

Victor Sifton's name is in the news these days because of the recent highly successful tour of Canada's war training centres by a group of distinguished American journalists. Not in many a year has Canada received such generous publicity south of the line, as has resulted from this tour.

VICTOR SIFTON

Mr. Sifton modestly declines all credit for the tour's success. If there is justice in this modesty it is because although the idea of the tour was his, the bulk of the work in carrying it through belongs to his colleague on the Canadian Press —W. Rupert Davies of Kingston. They are, respectively, president and first vice-president of the Canadian Press. If other garlands are to be handed out, a young captain in the C.A.S.F.—R. S. Malone—a western newspaperman in civilian life, and A. Grant Dexter, resident editor at Ottawa of the Winnipeg Free Press, cannot be overlooked.

As a matter of fact Mr. Sifton almost was unable to go on the tour. But it is revealing of his methods of work that despite his absence the tour would have been a success.

Mr. Sifton is pre-eminently an "idea" man. He is endlessly fertile in ideas and rich in the talent of enthusing other people. Once an idea is in good hands, he never troubles his head more about it and, what is more important, he seeks no credit for having originated it.

If the old French proverb is true—that a man can accomplish miracles if he will share the credit with others—then Mr. Sifton can file his claim as a miracle man with confidence.

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Mr. Sifton's rise in Canadian journalism has been so swift that few, outside the profession, know him. Like most newspapermen he shuns publicity, refuses interviewers. According to Hon. C. A. Dunning's philosophy of life, Victor Sifton was born with all the disadvantages. Mr. Dunning is fond of saying that the man who is born into the world poor, with all his way to make, is the supremely lucky man. Mr. Sifton is the son of Sir Clifford Sifton. He inherited a fortune, and fate thrust upon him the responsibility of administering a great newspaper.

The prospect of following so distinguished a father and of managing a great newspaper would chill the heart of any intelligent man, however brave. He began about 10 years ago, just when he had turned the 30's. Since then he has won a place for himself in the national life of this country and one would be a foolhardy man, indeed, who would attempt to foretell his future.

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Mr. Sifton is 43 years of age. He was born in the year of Queen Victoria's jubilee—which accounts for his name. It accounts likewise for the middle name of his close friend and colleague on the Free Press—George Victor Ferguson, the managing editor. Apart from name, however (as most of those who know them will agree), there is very little that is Victorian about either.

There was much in his early career which promised his present success. He joined the army at 18 years of age, went to the front and at 19 years of age was in command of a battalion in the front line. With one possible exception he is the youngest man ever to have commanded a battalion in action in the British army.

Officially, Victor Sifton would rank as a publisher. Actually (and all members of the profession will appreciate the distinction) he is a working newspaperman. He supervises the business side of the Sifton newspapers but his heart is in the editorial floor of the Free Press (where he has his office) and his one great passion is the editorial page of the Free Press. For years he has been influenced by the editorial page of the Free Press. For years he learned his editorial craft from J. W. Dafoe. Like everyone else who has worked on the Free Press he always refers to Dr. Dafoe as "The Chief."

As a result of this apprenticeship there is nothing about the business of putting out a newspaper that Mr. Sifton does not know and cannot do, and it is by no means an unknown event in the Free Press for the boss to appear on the composing room floor at midnight and himself make up the editorial page.

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His views on journalism are clear cut. He affirms the C. P. Scott maxim: "Comment is privileged; facts are sacred." It is the business of a newspaper to give to its readers as broad, as accurate, as unbiased and as attractive a record of world events as possible. It must be a crusading paper, a fighting paper. And with the facts must go comment to complete the background and make day-to-day events understandable.

Mr. Sifton is a Liberal—not in the narrow party sense, but in the true sense. He believes passionately in democracy, in all the freedoms (not forgetting freedom of trade), in social justice, in equality of opportunity, in human personality.

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Last July, he came to Ottawa at the invitation of Col. J. L. Ralston to help in the National Defense Department. His official title is executive assistant to the minister. His advent may not be unconnected with the swift changes which took place about that time in the senior ranks of the army.

There was, for instance, the unexpected elevation of a civilian—Harold Riley of Winnipeg—to the rank of Brigadier and the command of Military District No. 10. For the most part, however, these changes occurred before his arrival.

He was instrumental, however, in persuading Philip Chester of the Hudson's Bay Co. to come to Ottawa to take over, temporarily, the job of reorganizing the ordnance service. He has been acting with Mr. Chester ever since.

His appointment is purely temporary. He hopes to return at the earliest possible moment to his own desk at Winnipeg and to the arrears of work which await him there.

Sir Charles Portal

Many Canadians have gained new confidence in the strength and ultimate victory of Britain's war effort by appointment of Sir Charles Portal as new Air Chief Marshal of the Royal Air Force.

A well-known Toronto businessman, who knew and admired him when he served in the R.A.F. during the last war, describes Sir Charles as a young, dynamic person of 47. He has risen rapidly to front rank in the British military world since he was a dispatch rider in Great War 1. He does his work with thorough brilliance, say his Canadian admirers. He knows how to handle men in a way that commands both their liking and loyalty.

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In the last war Sir Charles had himself transferred from dispatch riding to the air service. So well did he take to the then new sphere of modern war that he rose rapidly in the service, and later was returned to England for the important job of training new recruits for air units. But not before he had won the D.S.O. (with bar) and the Military Cross.

In the final period of the war he was officer commanding the training centre at Grantham for artillery co-operation units of the R.A.F. It was here that he came in contact with the Canadians.

These include Reg Stanfield, manager of the Hudson's Bay Co. store at Vancouver; Leslie Eckert, Winnipeg merchant; and G. Fay Davies, general manager of the National Life Assurance Co., Toronto.

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Mr. Davies formed a particularly high opinion of Sir Charles (then Lieut.-Col.), and rates him as "the finest leader I ever met." During the last war he was a good soldier and disciplinarian, Mr. Davies recalls, he had a most attractive personality and was well liked by those at the Grantham station. He was good at sports and an excellent shot. Along with falconry and fishing, shooting is still one of his principal recreations—if he ever gets time.

While Sir Charles was at Grantham, Mr. Davies relates, an Italian aviator flew a plane over the Alps non-stop from Rome to London. In those days this was an outstanding achievement and attracted a great deal of attention. With typical thoroughness and anxiety to know his job fully, Sir Charles flew and dived and checked and studied the Italian machine for two solid days before he was satisfied.

At the start of this war, Sir Charles was Air Member for Personnel. Earlier this year he was appointed Chief of the Bomber Command, and just recently received his title. For several years prior to the war he was Director of Organization of the Air Ministry, and in 1936-37 was instructor at the Imperial Defense College. In 1934-35 he was commanding officer at the important base of Aden. He is a graduate of Winchester School and Christ Church College, Oxford.

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Family Tradition?

Since he was appointed Postmaster-General not very long ago, a lot of people have been wondering how Hon. William Pate Mulock, K.C., M.P., would measure up in terms of cabinet responsibilities.

Perhaps it's too early to give a final answer to that question as yet.

But what is causing something of a stir around official Ottawa is this: "Bill" Mulock is the first Postmaster-General in more than 30 years to have made a thorough and complete personal inspection of the entire head office organization and staff.

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Our informant's memory does not go back for more than three decades, but it is highly probable that the new Postmaster-General has taken his cue from his honored grandfather who still ranks as one of the greatest of Canada's Postmasters-General.

We doubt not at all that Sir William Mulock was on intimate terms with his staff in his department. He probably visited them all and knew most of them by their first names.

Apparently few, if any, of his successors in office have troubled to establish contact with a business organization which now has a turnover of more than $30 millions annually.

At any rate, it is to the credit of "W.P." that he has made this contact.

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William Pate Mulock has been in Parliament now for six years. He first ran in his home town constituency (North York) in 1932, but was defeated. He carried the riding in 1934 in a September by-election and has held it since.

He was educated at Upper Canada, went to work in the family law firm but was not called to the bar until after he had returned from overseas. He served with the Ammunition Column of the Canadian Expeditionary Force in Siberia and is an honorary Colonel of the Irish Regiment. He was called to the bar in Ontario in 1920.

True also to the Mulock tradition the new Postmaster-General is a fruit grower. He is the proprietor of the York Apple Orchard at Armitage Post Office not far from his grandfather's estate at Newmarket. His home is on Cluny Drive in Toronto's Rosedale.

Recently at the American Air Society convention at Toronto he presented 140 booklets of Canadian stamps (worth $2.49 each) to each registered member. This was also said to have been a precedent breaker. The society has been a great factor in the development of air postal service.

Stop Me If

The Fergus News Record tells of the Amherstburg citizen who has been making frequent trips across the line into the United States in recent days.

He crossed the other night. At the customs office he was asked how much money he had with him.

"Fifty cents," he replied.

"You can't take that with you," the officer told him.

"What can I do with it then?" the traveller enquired.

"You can rent a locker for 10 cents and put the other 40 cents in it until you return."

In the Mail . . .

Too Many Forms

Editor, The Financial Post:

I have just read your editorial against the British Government for the number of forms required to ship a consignment of lumber from Canada to England.

We had better start at home before criticizing the British Government.

We are shipping this week a carload of frozen fish to the United States. This requires the preparation of 240 Canadian Customs forms, a half a dozen or more Foreign Exchange Control forms, as well as many incidental documents for bills of lading and United States Customs entries.

This is not an unusual experience.

J. W. NICHOLS,
General Manager,
Canadian Fish & Cold Storage Co. Ltd.,
Prince Rupert, B.C.

As Others See Us

Second Line of Defense

Vancouver Sun

Today a large proportion of the new plants being built in Canada are British. The Financial Post says that two plants which were under construction in Britain have been abandoned and, instead, similar plants are being built here.

We are witnessing, in fact, the establishment in Canada of Britain's second line of industrial defense. Mr. King's prediction that Canada would be the "arsenal of the Empire" sounded a little large at the time, but it is coming to pass.

Extending the Tourist Season

Huntsville Forester

One result of the recent visit to Ontario, of American weekly editors, has been a widespread discussion on the possibility of extending the tourist business into the beautiful month of September. Whether from old-time custom, or from lack of discernment as to its possibilities, the autumn season has been virtually ignored. When school opens, or the Toronto Fair commences, tourist houses are usually ready to fold up for the season.

Is there any real need for this? Can something not be done to utilize the fall foliage season in September as a profitable factor in tourist trade?

The question was recently discussed by The Financial Post—a paper which has developed a most active interest in the economic value of the tourist trade to Canada.

In thus supplementing the efforts of local agencies which have for a long time been urging action along the same line, The Financial Post is performing a national service. Its huge circulation, and its tremendous influence in the direction of public affairs in Canada, provide it with opportunity to do much more than is possible through limited local facilities.

Creating Labor "Bottleneck"

Midland Free Press

In the opinion of The Financial Post, the Dominion Government is taking the easy rather than the wise course in deciding to call the first 30,000 draftees for training with no exemptions for skilled workers. The Post stresses the importance of keeping the wheels of war industries whirring, of producing equipment that is vitally necessary to victory. No skilled craftsman who occupies a key post in any plant, it argues, should be permitted to leave his work for a day or an hour even to take military training.

In Australia, it is pointed out, labor control has been placed directly under the department of munitions and supply; no employee is allowed to move from one industry to another, or from one employer to another, without permission of the authorities. British control legislation under Hon. Ernest Bevin is equally drastic.

Whether Canada has reached the point where similar measures are warranted is a matter of opinion, but there seems no doubt that someone should be given authority to direct and co-ordinate wartime activity between the different departments of government.

Other People's Views

Provincial Responsibility

Calgary Herald

In view of the tremendous increase in federal income tax levies, made necessary by huge war expenditures, the tax-paying public have a right to demand that income taxation levied by provincial administrations should be lowered.

These governments have no war burden to carry, and they can best contribute to Canada's war effort by reducing their expenditures to the lowest feasible point, thus leaving more tax revenue available to the senior government at Ottawa.

Churchill's War on Wordy Waste

Edmonton Journal

Prime Minister Churchill will have the sympathy of the public behind him in his recently-launched campaign to persuade his colleagues, heads of government departments, the civil service generally and all army, navy and air force administrators to use simple words and simple sentences. He dislikes, and so do most people, such round-about, highfalutin' expressions as:

"The receipt of your communication is hereby acknowledged with thanks."

Consideration should be given to the possibility of putting into effect—"

Mr. Churchill thinks that the simpler way to express these thoughts would be "we"

"Thanks for your letter," and "We might try—"

In spite of the many allies Mr. Churchill will have in this new war of his, victory will not be easy, for the enemy is too firmly entrenched in the fortress of "this is the way it has always been done."

However, the prime minister is right. Simple words in simple sentence make for clarity of thought in the mind of the writer as well as in that of the reader.

Week in Business

Growing Buying Power Quickens Business

Employment Shows Substantial Gains Especially in Manufacturing — Mild Weather Retards Sale of Seasonal Lines in Some Areas

Business reports continue to indicate expansion due to the increased buying power of the wage earner. Under the pressure of war orders not only are more people gainfully employed, but the income of many is higher than previously. Due to the insatiable demand for war supplies of all kinds they are now working longer hours and in many cases wage scales have been increased. This is the case especially with the more skilled classes of mechanics where the supply of workers is very limited.

The number of people employed in Canada at the beginning of September, the Dominion Bureau of Statistics reports, shows a greater increase than on any similar date in the 20 years for which records are available. The gain is estimated at almost 3% over August. Compared with last year the gain is about 10%. The Bureau's adjusted index number at 126.5 is the highest on record.

Manufacturing showed the greatest improvement among the different industries, the index reaching a new high. Activity was considerably higher in the iron and steel industries followed by textiles with most other lines also showing good gains. Construction trades were more active than in August, this being a contra-seasonal gain.

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While retail trade generally continues active, merchants in some instances complain of mild weather delaying sales of seasonal goods such as overcoats, gloves and other furnishings. Sales of refrigerators, washing machines and similar appliances are stated selling well, many people being able to afford them for the first time in years.

A steady volume of war contracts points to further expansion in industry.

Wholesale orders are being placed in good volume. Merchants are buying with confidence feeling that with consumer demand as active as it is, they are not likely to be stuck with the goods later on. Nor do they anticipate having to take a loss due to declining prices. Commodity prices so far have not risen to abnormal levels nor under the present system of government control are abnormal advances expected.

* * *

While the western wheat crop storage problem has not been solved it is stated that country merchants are extending credit to their customers on a scale previously thought impossible. In addition to this, a strong demand for barley has been coming from maltsters and eastern hog feeders, and farmers with barley to sell are able to cash in on this grain to a greater extent than formerly. This and the income farmers will get from hogs and cattle, it is expected, will maintain western buying power at fair levels until it is possible to market the whole of the wheat crop.

Business Indicators

Current business active. D.B.S. index of business activity for week ended Sept. 28 slightly above previous week and last year.

Carloadings for week ended Sept. 28 almost 11% below last year. Total for year up 11%.

Railway gross traffic earnings for week ended Sept. 30 lower than year ago. Total for year to date up 25% for C.N.R., 16% for C.P.R.

Employment higher. Unadjusted indices for all industries and for manufacturing as at Sept. 1 rise to new high levels.

Retail sales index number for August 5% above previous month and about 14% above 1939.

Wholesale sales index number for August higher than in previous month and last year.

Sugar grindings for four weeks ended Sept. 7 slightly lower than year ago. Total for year up 10%.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ■

TREND OF BUSINESS—	Sept. 28	Sept. 21	Sept. 14	Sept. 7	Sept. 30/39
Weekly index of business, D.B.S.	105.3	104.5	104.5	103.6	105.0
Commodity prices index no.	82.8	83.0	83.0	82.8	77.9
	Aug.	July	June	May	Year Ago
■The Financial Post business index	*142.9	139.5	141.7	136.2	121.0
■Retail sales index no.	94.1	89.4	91.9	89.3	80.6
Dept. store sales index no.	89.8	87.6	81.4	82.7	73.1
■Wholesale sales index no.	115.3	105.1	117.6	127.1	107.4
■Country store (% change pr. yr.)	+9.8	+6.2	+8.3	+8.5	—2.2
EMPLOYMENT Index Nos., D.B.S.	Sept. 1	Aug. 1	July 1	June 1	Year Ago
■All industries	131.6	127.9	124.7	120.9	119.6
■Manufacturing	138.4	134.4	130.3	129.2	115.3
■Wage earners, no. 000's	....	....	2,634	2,568	2,419
Living costs weekly budget	....	$17.90	$17.84	$17.72	$17.02
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
■Carloadings (week Sept. 28)	61,342	68,882	2,045,345	1,830,978	+11.2
■C.N.R. gross (week Sept. 30) $	6,491,022	7,520,260	178,415,991	142,245,937	+25.4
■C.P.R. gross (week Sept. 30) $	5,094,000	5,985,000	121,848,000	105,443,000	+15.6
C.N.R. net revenue (Aug.) $	3,668,181	638,203	24,040,849	347,712	....
C.P.R. net revenue (Aug.) $	2,263,597	905,950	17,304,434	6,883,453	+151.4
IRON AND STEEL—Aug.—					
Pig iron production . (tons)	88,885	65,920	734,436	422.028	+74.0
Steel ingots and castings prod. .... (tons)	172,210	122,019	1,300,033	813,309	+58.6
AUTOMOBILES—(Number)—					
Passenger Cars:					
■Domestic sales° .. (Aug.)	2,761	3,672	76,950	64,007	+20.2
Factory output .. (Aug.)	1,510	1,068	77,193	76,148	+1.3
Trucks and Buses:					
■Domestic sales° .. (Aug.)	2,271	2,494	21,731	18,025	+20.6
Factory output .. (Aug.)	12,483	2,407	62,180	30,217	+105.5
Financing:					
Used .... (Aug.) $	3,711,742	3,354,598	29,625,981	25,287,791	+17.2
New .... (Aug.) $	1,986,731	2,267,915	24,084,917	20,[illegible]1,570	+18.7
CONSTRUCTION—					
Contracts awarded (Sept.) $	52,260,000	19,379,100	247,749,000	150,781,[illegible]	+64.5
Cement prod., bbls. (June)	928,636	727,504	2,727,804	1,994,691	+36.7
AGRICULTURE—					
■Flour prod., bbls. .. (Aug.)	1,291,451	1,382,158	10,081,998	9,310,011	+8.2
Flour exp., bbls. .. (Aug.)	575,756	379,276	4,641,626	3,005,951	+[illegible]
Wheat exp., bush. .. (Aug.)	11,401,161	10,272,929	90,970,959	75,366,950	+20.7
Cattle sales▲ ...... (Aug.)	116,817	105,120	673,011	643,058	+4.6
Hog sales▲ .... (Aug.)	327,997	293,572	3,023,633	2,084,932	+45.0
SEA FISHERIES—‡					
Catch, cwts. .... (Aug.)	1,328,000	1,426,700	7,366,350	6,603,450	+11.5
Landed value ...... (Aug.) $	2,957,200	3,041,100	12,466,500	11,951,750	+4.3
NEWSPRINT—					
Production, tons ... (Aug.)	316,607	236,975	2,291,283	1,805,669	+26.8
Exports, tons ..... (July)	318,841	200,173	1,823,983	1,415,290	+28.8
MINING AND OILS—					
Coal prod., tons .. (July)	1,227,967	1,093,542	9,455,368	7,909,811	+19.5
Coal imports, tons . (July)	2,398,461	1,590,973	9,125,592	5,456,919	+67.2
Gold prod., fine oz. (July)	456,626	439,925	3,028,668	2,929,894	+3.3
Crude oil prod., bbl. (July)	877,133	899,169	4,558,162	4,270,407	+6.7
Crude oil imp., bbl. (May)	4,864,457	3,643,726	11,238,400	9,753,800	+15.2
ELECTRIC POWER OUTPUT—(August)—					
Total monthly, 1,000 kw.h.'s	2,500,179	2,293,032	20,083,914	18,243,128	+10.0
FOREIGN TRADE—♦					
Imports .... (Aug.)	96,835,858	62,708,079	682,432,876	441,767,448	+54.4
Exports .... (Aug.)	111,359,571	76,475,742	766,533,773	561,583,507	+36.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. .. ... (Aug.)	281,529	248,455	1,511,451	1,363,405	+10.8
Shoes, prod., pr. .. (July)	1,861,028	1,833,993	14,586,969	13,083,764	+11.4
Cotton consump. lb. (Aug.)	16,200,326	11,950,149	127,931,558	74,467,698	+71.8
Raw rubber imp., lb. (July)	11,400,868	5,568,367	52,035,287	36,196,076	+43.8
Cigarette cons. No.† (Aug.)	620,889	719,562	4,865,781	4,689,886	+3.6
■Sugar manufactured .. lb.§	71,339,246	71,827,680	620,345,592	561,198,546	+10.5
FINANCE—					
Bank debits† ...... (Aug.) $	2,457,706	2,389,741	22,081,944	19,899,573	+11.0
Bond sales† .... (Aug.) $	83,513	113,427	1,341,912	985,864	+36.1
Life insurance sales (Aug.) $	24,698,000	26,494,000	241,225,000	234,781,000	+2.7

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Sept. 7, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. °Final.
▲Total at yards and plants.
New items for week marked ■

SKF
BALL & ROLLER BEARINGS
ALL TYPES - ALL SIZES

Keeping Posted . . .

By J. C. KIRKWOOD

Canada has numerous bright and witty women writers, and among them—near the top—is Mary Lowrey Ross, who writes entertainingly and pungently and sanely about movies and books, and occasionally about men.

JOHN C. KIRKWOOD

Mrs. Ross has a husband, so she writes with authority. I am wondering about Mr. Ross's reactions to the article contributed by his wife to the October issue of Chatelaine—an article entitled "The Genius—Man."

It is not a very complimentary article. It seems to measure a man's genius and worth by the test questions: Can he get a derelict washing machine going? Can he mend things? Can he do both simple and complex carpentry jobs? Can he replace a fuse? And one concludes that Mr. Ross—Mary's husband—can't do any of these things. Mary says, "I am now convinced that man's technical achievements generally are a matter of pure intuition. The masculine method is the method of genius. When genius short-circuits, it puts out every light in the house."

I can imagine many wives giving this issue of Chatelaine to their husbands with the commandment, "Read what Mary Lowrey Ross says about you on page 16"—this, of course, when the said husbands are in the doghouse.

* * *

A Good Many "Onlys"

Angus McStay uses the word "only" many, many times in his article about Sir Ernest MacMillan in the October 1 issue of Maclean's Magazine. He says: "Sir Ernest is the only symphonic conductor in the world who has been fingerprinted by the police. The only conductor in the world whose face was once stepped on by a horse. The only Canadian to be knighted for services to music. The only citizen of Canada to be made Doctor of Music by Oxford University." There are several other "onlys." Mr. McStay's gay article in Maclean's is "Prodigy's Progress."

"Sir Ernest," says McStay, "is an outstanding example of that rare phenomenon—a prodigy who was not later lost in the shuffle of obscurity." Mozart is another example, Macaulay another.

Here are a few of the close-ups on Sir Ernest: He will not walk to the letter box a block and a half from his home; grimly he drives his car. He has breakfast in bed five mornings a week. He is punctual for all appointments. His desk is a welter of scores, parts, scissors, paste, erasers and ink spots. Prior to rehearsals he changes in his dressing room at Massey Hall from street clothes to an old pair of trousers and a sweatshirt. He works from 12 to 16 hours a day. He has no time for sports or physical exercise. He does not wear glasses. His hobbies are bookbinding and the collecting of humorous phonograph records.

* * *

Infra-red

Lamps can do more than just shed light. They can speed up the drying of paint. I learn this from the September issue of Canadian Paint and Varnish Magazine. An advertisement of Canadian General Electric says: "Scores of industries have recently increased their production by using radiant heat from infra-red lamps for process drying and surface heating."

One of the first major industrialists to adopt the use of infra-red rays for paint drying was the Ford Motor Co. In Ford's great River Rouge plant a huge infra-red oven puts a quicker finish on car bodies by heating body metal and drying the paint from the inside out. The Fostoria Pressed Steel Corp. has long fostered the use of near infra-red energy in speeding the curing of hams in a New England packing house. Tests have revealed the possibility of curing hams in seven hours or less, whereas the usual time required is from one to two years.

The amazing new methods used in drying paints enable an automobile license plate to be dried, electrically, in 14 minutes as against an hour and 50 minutes by steam. Lacquered sheet metal furnace covers, subjected to an infra-red heat of 325 deg. Fahr., dry in 8½ minutes as against 30 minutes by an older method. Printers are drying the paper before printing and then drying their inks after.

* * *

Long Underwear Renaissance

J. Herbert Hodgins, editor, Mayfair Magazine has good news for middle-aged men in the October issue. Here it is: Warm and long underwear is being restored to its former favor—after a period of partial deposition from its throne by the scoffings of young men who put the crown on "shorts."

One of the reasons for the recovery of its former position in masculine favor is: manufacturers are putting a great deal of styling into "long" combinations and separate shirts and drawers. The fabrics used are finer and the garments themselves are more expertly designed.

Now, Mr. Hodgins, won't you say something to us men who like nightgowns?

* * *

Quiet Intense

Sir Norman Angell's contributions to The Post bring back to me a memory of him when he was more or less obscure—when he was manager in Paris of the Continental Daily Mail—the Paris edition of the famous London Daily Mail, Alfred Harmsworth's revolutionary newspaper.

Sir Norman was then plain Ralph Lane. I met him more or less frequently and intimately when he came to London, for I was then—in 1906-11—on the advertising staff of the Daily Mail, and Mr. Lane was directed to me in connection with certain advertising problems.

He was a man of quiet manners and of great intensity. Diffidence was one of his qualities. None of us suspected that he was a most earnest student of international affairs, and a profound and original thinker on the subject of war.

Sir Norman's first book, The Great Illusion, was a veritable meteor, and gave him instant, worldwide and lasting fame.

* * *

'Tend Your Own Business

Probably among the many women who read The Financial Post each week are women who are "publicity chairmen," meaning women whose duty it is to supply news items to newspapers about the activities of their club, or church society or charity organization, or other association.

These women should, most certainly, possess the book, "So You're Publicity Chairman," by Frances Fiske (McLeod), for its reading will help them perform their work with a good understanding of editorial requirements. Miss Fiske writes acidly, even while writing helpfully.

Here's an illustrative extract from this timely book: "So, Mrs. Press Chairman, if you want to get along with the newspapers, just attend to your own business, which is to get accurate information to the editor, and the newspaper girl, who is a writer by profession, will do her part of the job, which is to present your news to the public in the most interesting way possible. The chances are that her article will be as good as, if not better than, any you could have written."

This waspy book should be owned by every club and society, and made "must reading" for each new publicity chairman who assumes office.

* * *

Symphonic Styling

I suppose it was a woman who wrote what I read in the October issue of Mayfair about the 1941 models of the Hudson motor car. Here is the feminine view of cars: "The ensemble trend, so apparent in smartly styled clothes and rooms, receives important interpretation in the new Hudson motor cars. 'Symphonic Styling' not only embodies a new, longer, more flowing exterior body design, but also brings a wide selection of interior color combinations that harmonize deftly with the exterior scheme. Basically the interiors are styled in three color combinations; grey, green and tan. If, for instance, tan is the 'wanted' color, the finish inside and out, from fenders to floor mats, will be in softly blending shades of tan."

Does the woman owner choose her clothes to fit the "symphonic styling" of her car.

* * *

There are many signs of better times in industry and commerce. The September issue of Bookseller and Stationer is the biggest issue in three years—56 pages, of which 30 pages are advertisements. There has been a 20% rise in the volume of book and stationery trade in Canada this year.

Boeing to Start On New Craft

From Our Own Correspondent

VANCOUVER. — Boeing Aircraft of Canada will resume production of complete airplanes at a new plant now being built on Sea Island, seven miles from Vancouver, under a new financing programme for which the Canadian Government is advancing $1.5 million.

The plant will be one of the most modern in Canada and will produce airplanes of a type not so far manufactured in this country.

Boeing Aircraft is a Canadian subsidiary of Boeing Company of Seattle, which now has defense contracts totalling more than $60 millions. Austin Taylor of Vancouver, a director of the Bank of Canada, has been added to the directorate.

Since Boeing completed 14 Blackburn Sharks several months ago its plant has been virtually idle, except for a new factory where spruce spars were fabricated.

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Rail and Bus Lines Linked

C. N. R. and Canada Coach Work Out Reciprocal Traffic Plan

Rail and motor coach services have been interlocked, for the first time on an extensive scale between a Canadian railway and an outside auto transport concern. The two are Canadian National Railways and Canada Coach Lines Ltd. of Hamilton.

The new plan is designed particularly to dovetail main line rail services with motor bus routes through the Niagara Peninsula and the Guelph area. At the same time it provides for full reciprocal exchange of traffic between the entire systems of the railway and Canada Coach Lines.

The bus company operates extensively through the Peninsula and other sections of Ontario, west of Toronto.

The scheme became effective early this month, when Canada Coach Lines began operating its Hamilton-Niagara Falls service over the newly completed Queen Elizabeth express highway. The buses stop at all C. N. R. depots in centres served by the highway and connecting with C. N. R. trains.

Full Reciprocity

Rail tickets to or from all points served by Canada Coach Lines are honored over bus routes for traffic originating or headed for points beyond Hamilton. Through tickets from any point in the C. N. R. system to anywhere in the bus system are being sold by the railway. On the other hand, C. N. R. tickets will be sold at all Canada Coach Lines depots to points on C. N. R. routes. Passengers will be carried to the nearest point served by bus or rail, as the case may be, and complete their journeys by the other service.

This first link of any consequence between Canadian rail and independent motor transport units, developed out of the construction of the Queen Elizabeth Way and the erection, now under way, of the new Rainbow Bridge at Niagara Falls. To provide land needed for the bridge approach and the highway right-of-way at the bridge, the Niagara, St. Catharines and Toronto Railway (C. N. R. subsidiary electric line) turned over to the Ontario Department of Highways its Niagara Falls terminal property, and part of its right of way near Niagara Falls.

Replace Radial Service

This necessitated some step to maintain service into Niagara Falls In view of the savings which would accrue from developing terminal facilities at the bridgehead, C. N. R. officials decided on handling of passenger traffic by motor coach to replace the radial service. The radial line will continue to provide freight transport to Niagara Falls, this not requiring direct access to the river road, as for passenger business. The radial freight service is supplemented by truck operation as an extension of the railway's pick-up-and-delivery service.

The C. N. R. has its own bus service between St. Catharines and Niagara Falls. As Canada Coach Lines was already operating over the longer Hamilton-Niagara Falls route, and planned to inaugurate a new service over the Queen Elizabeth Way, a reciprocal arrangement was made with the bus operators partly to handle longer haul traffic into and out of Niagara Falls.

Breaks New Ground

Hitherto such co-ordination of rail and motor coach services has been relatively limited in Canada and has mainly involved extension bus routes operated by the railways themselves. The C. N. R. operates such routes in parts of Quebec and in Northern Ontario, and connects with outside motor coach services operating beyond Huntsville, Ont. The Canadian Pacific Railway operates rail-connecting extension bus services, either directly or through subsidiaries, in the Eastern Townships of Quebec and in western Ontario.

To Co-ordinate Oil Industry

From Our Own Correspondent

VANCOUVER. — Prevention of overlapping and duplication of control over the petroleum industry in British Columbia will be attempted by a policy of co-operation decided on at a series of conferences here between Oil Controller G. R. Cottrelle and Premier T. D. Pattullo and Dr. W. A. Carrothers, chairman of the Provincial Public Utilities Board.

"My duty as oil controller requires me to provide necessary supplies of bunker oil for the navy, aviation gasoline and other petroleum products for the army," said Mr. Cottrelle, discussing the situation with The Financial Post. "As can be understood, large supplies and heavy inventories of these products must be carried in British Columbia. These inventories and supplies are vital.

"The instrument I must use in this connection is the petroleum industry, and it is my duty to see that it is co-ordinated to produce its greatest effort in connection with our national war undertaking."

A CHECK-UP OF YOUR INVESTMENTS

A requisite of a sound investment portfolio is a periodic analysis by a competent investment consultant. This service may be obtained without obligation at any of our offices.

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U. S. Paperboard Mills Output is Increased

MONTREAL. — Paperboard mills in the United States produced 452,604 tons during August with an operating ratio of 73.9% of rated capacity. This contracts with an output of 443,226 tons or 72.4% of capacity during the same month last year.

"ALRIGHT—WE'LL WRITE TO THE EDITOR!"

THAT'S THE NICE THING about Star Weekly readers. They have a friendly feeling towards us and don't hesitate to write in for our opinion to decide an argument or settle a feud. We're glad of that feeling because it shows we're succeeding in our job—and our job is to publish a paper the people want, will buy, will read, and will be interested in.

In dozens of little ways we're shown every week that people read The Star Weekly pretty thoroughly. And that's the type of reader the advertiser wants. And in addition to giving the advertiser sympathetic readers, we also give him the biggest mass coverage to be bought anywhere in the Dominion. Summing it up, when you consider the big, weekly cash-sale circulation, the reader interest, and the far-reaching coverage . . . well, the advertiser in The Star Weekly has a very good buy!

NOW, ABOUT CIRCULATION

Star Weekly circulation is rather unusual. It offers you the largest coverage to be bought anywhere in Canada. And, it's continuing to soar upward. The chart below gives a pretty quick idea of what we mean!

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MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

NIAGARA FALLS, ONT.

Niagara Falls is the twenty-first in a series of municipalities included in The Financial Post Municipal Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in the recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

Niagara Falls, Ont., is one of the municipalities which, although unable to stay out of financial difficulties, has made good progress since making adjustments in debenture indebtedness.

The city defaulted on maturities of principal amounts of debentures in 1933, but kept up interest payments throughout the period of default which terminated in 1937. The city's financial position remained one of the best among Canadian defaulting municipalities during the period of default.

Final settlement was made in Dec., 1937, when holders of $500,000 matured debentures agreed to exchange their securities for a new 4½% 15-year serial issue. The balance of overdue principal maturities, amounting to $678,318, was paid from cash on hand.

An important factor in improving the city's financial position has been the increase in tax collections. Current and arrears collections, ranging from 86% to 98% of tax levy in the period 1930-33, jumped to a range of 104% to 108% during the period 1935-39. This is believed primarily due to a change in method of collection made in 1935. Since then payments have been made six times a year instead of the former three-installment method.

Assessment has remained stable since 1931, while tax rate has shown a steady drop from 40.5 mills in 1933 to 35.5 last year.

Substantial progress was made—even during the difficult early 1930's—in retiring the city's indebtedness. Gross debenture debt was cut each year since 1930, with the exceptions of the period 1933-36 when there was no change.

Bank loans, which totalled $695,644 in 1931, were retired gradually until by 1938 they were fully wiped out. No additional loans have been made since.

An important feature contributing to the strength of the municipality is the policy religiously maintained all during the depression years of covering full relief expenditures from current account. None of the expense was funded. The high year was 1932, when the item cost $131,573.

Statistical Picture

	1939	1938	1937	1936	1935
Population	18,770	18,928	18,836	18,747	18,527
Assessment (taxable: in $000's)	18,137	18,296	18,284	18,498	18,281
Assessment per capita	966	967	971	987	987
Tax rate (mills)	35.5	38.0	38.0	39.0	39.0
Tax collections:					
Current collections to curr. levy %	84	82	81	79	75
Current & arrears to curr. levy %	105	104	107	108	108
Gross debenture debt (in $000's)	2,158	2,361	2,605	3,283	3,283
Gross deb. debt per capita	115	125	138	175	177
Bank loans	nil	nil	110,078	126,466	126,466
Relief met out of curr. rev.	86,535	87,078	73,789	118,481	53,433

Municipal Reports

Brandon, Man.

A small decline in net debenture debt of Brandon, Man., is reported for 1939, as compared with the previous 12 months. Arrears of sinking fund increased.

Surplus of about $200,000 in current account compared with about $262,000 in 1938. Tax arrears are down substantially.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	721,565	744,928
Expenditure	523,985	482,270
Total assessment	9,174,505	9,719,996
Exemps. not incl.	5,013,218	5,881,925
Curr. tax levy	480,387	467,644
Curr. tax arrears	160,688	176,289
Total tax arrears	410,985	504,522
Tax rate (mills)	45	44
Assets and Liabilities		
Total assets	2,221,628	2,216,268
Total debenture debt	2,930,823	2,930,823
Total sinking fund	2,327,402	2,201,386
Sinking fd. in arrears	384,664	352,412
Bank loans	41,313	......
Other liabilities	435,924	506,001

Scarborough Twp., Ont.

Bonded indebtedness of Scarborough, Ont., in default of principal since 1932 and of interest since 1934, was refunded early in 1940 on the basis of a plan dated Dec. 1, 1939. After taking this into effect, total debenture debt was shown at $3.3 millions, down about $931,000 from a year previous.

A surplus of $7,207 was shown in 1939, comparing with about $10,000 in the previous year. Tax arrears have declined.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Current revenue	270,934	627,389
Current expenditure	263,727	617,475
Curr. tax levy	617,184	604,554
Curr. tax arrears	172,434	182,361
Total tax arrears	376,300	412,447
Tax sale lands	868,187	867,776
Assets and Liabilities		
Total assets	5,015,928	6,356,516
Total deb. debt	*3,314,572	4,245,386
Bank loans	111,000	133,831
Other liabilities	1,026,237	1,939,829

*Taking into effect refunding plan dated Dec. 1, 1939.

Teck Township, Ont. (Kirkland Lake)

Teck township, Kirkland Lake, Ont., reports total debenture debt of $1.7 million at the end of 1939, up about $116,000 from a year previous. Bank loans were off.

Tax arrears are about unchanged, while a fractional surplus was reported—slightly less than in 1938.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	850,835	741,056
Expenditure	850,506	740,519
Total assessment†	22,926,790	22,767,826
Exemps. not incl.	6,249,285	5,713,370
Curr. tax levy	668,761	593,237
Curr. tax arrears	89,179	97,432
Total tax arrears	155,970	152,336
Tax rate (mills)	50	58.8
†Includes spec. mines income assess.	16,480,868	16,206,541
Assets and Liabilities		
Total assets	*2,113,325	*1,967,749
Total debenture debt	1,696,032	1,580,082
Total sinking fund	nil	nil
Sink. fund in arrears	nil	nil
Bank loans	137,881	190,700
Other liabilities	112,176	34,582

*Written off as paid for.

North York Twp., Ont.

Total debenture debt of North York township, Ont., of $2.7 millions at the end of last year was down about $49,000 from a year previous. Bank loans of $150,600 show a cut of about $108,000.

Surplus of about $15,000 compares with $1,249 in 1938.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	1,006,497	528,252
Expenditure	991,854	527,002
Total assessment	11,787,898	10,870,449
Exemps. not incl.	1,395,615	......
Curr. tax levy	702,394	......
Curr. tax arrears	204,405	......
Total tax arrears	477,079	......
Assets and Liabilities		
Total assets	3,662,571	......
Total debenture debt	2,710,814	2,759,526
Total sinking fund	nil	nil
Sink. fund in arrears	nil	nil
Bank loans	150,600	258,500
Other liabilities	801,157	......

Forest Hill, Ont.

Forest Hill, Ont., reports total debenture debt of less than $2.8 millions at the end of 1939, down over $300,000 from a year previous. Bank loans of $52,000 were wiped out.

Tax arrears are off slightly at the end of 1939, as compared with 12 months previous, while a further sharp cut is shown as of Aug. 31 last. Surplus of $4,615 compares with deficit of over $4,500 in the previous year.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	222,928	192,234
Expenditure	218,313	196,782
Total assessment	13,664,569	13,291,566
Exemps. not incl.	1,010,390	1,007,004
Curr. tax levy	695,651	695,625
Curr. tax arrears	110,166	119,401
Total tax arrears	*185,595	192,344
Tax rate (mills)	†39	40.5

*Reduced to $105,502 by Aug. 31, 1940.
†1940 rate, 38.75 mills.

Assets and Liabilities

	1939	1938
Total assets	2,798,856	......
Total debenture debt	2,761,193	3,094,163
Total sinking fund	nil	nil
Sink. fund in arrears	nil	nil
Bank loans	nil	52,000

Quebec, P.Q.

Quebec City, P.Q., reports net debenture debt of $28.6 millions at April 30, last. This is down about $500,000 from April 30, 1938. Bank loans of about $3.9 millions also are off about $500,000 in the same period.

Deficit of about $130,000 is reported for the latest fiscal year, comparing with $286,009 before relief costs in year ended April 30, 1938. Tax arrears at $5 millions show an increase.

Income and Assessment
Year Ended Apr. 30

	1940 $
Revenue	4,260,486
Expenditure	4,389,502
Total assessment	118,072,053
Exemps. not incl.	57,693,300
Curr. tax levy	5,556,238
Curr. tax arrears	1,528,434
Total tax arrears	5,022,968
Tax rate (mills)	36.7
Assets and Liabilities	
Total assets	37,047,018
Total debenture debt	33,717,640
Total sinking fund	5,096,022
Bonds guaranteed	6,873,300
Bank loans	3,890,935
Other liabilities	561,557

Verdun, P.Q.

Net debenture debt of Verdun, P.Q., of $7.4 millions at the end of 1939 is up about $121,000 from a year previous. Other liabilities declined.

Tax arrears are off a shade, while reserves for tax arrears is up slightly. Surplus of $2,753 in 1939 compares with $15,000 in the previous 12 months.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	1,822,996	1,790,877
Expenditure	1,820,243	1,775,877
Total assessment	41,189,530	41,132,030
Exemps. not incl.	8,272,400	7,700,850
Curr. tax levy	1,822,996	1,790,877
Curr. tax arrears	383,130	381,341
Total tax arrears	526,966	531,633
Res. for tax arrears	122,806	120,257
Assets and Liabilities		
Total assets	14,382,572	13,864,657
Total debenture debt	10,352,992	9,952,520
Total sinking fund	2,966,264	2,686,784
Bank loans	nil	nil
Other liabilities	610,108	648,969

Timmins, Ont.

Total debenture debt of Timmins, Ont., of $1.2 million at the end of 1939 is up about $129,000 from the prior year. Bank loans of $163,000 are down $35,000.

Surplus of $2,955 in 1939 compares with a deficit of over $7,000 in the previous 12 months.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	892,865	849,088
Expenditure	889,911	856,344
Total assessment	9,721,627	9,338,984
Exemps. not incl.	3,519,708	3,177,718
Curr. tax levy	645,053	672,892
Curr. tax arrears	119,714	119,052
Total tax arrears	161,697	......
Tax rate (mills)	58.50	63.95
Assets and Liabilities		
Total assets	1,671,302	1,494,932
Total debenture debt	1,160,380	1,031,447
Total sinking fund	nil	nil
Sink. fund in arrears	nil	nil
Bank loans	163,000	198,000
Other liabilities	55,523	......

Prince Albert, Sask.

Prince Albert, Sask., net debenture debt of $2.1 millions at the end of 1939 was up over $800,000 from a year previous. Primary factor was the increase in gross debt, in spite of a big jump in sinking fund.

Deficit of over $13,000 compares with over $3,000 in the previous year. Tax arrears showed a small decline.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	402,257	247,247
Expenditure	415,612	250,569
Total assessment	5,872,329	5,402,860
Exemps. not incl.	3,738,096	3,713,315
Curr. tax levy	367,998	142,734
Curr. tax arrears	95,915	34,377
Total tax arrears	495,894	520,118
Tax rate (mills)	48	50
Assets and Liabilities		
Total assets	......	3,160,409
Total debenture debt	3,485,610	1,735,593
Total sinking fund	1,356,035	427,997
Bank loans	212,000	......
Other liabilities	39,285	43,938

Swift Current, Sask.

Net debenture debt of $1.3 million for Swift Current, Sask., at the end of 1939, is up almost $300,000 from a year previous. The jump was due to a decline in sinking fund. Bank loans are about unchanged.

Tax arrears are down, while surplus of about $6,000 is about the same as in 1938.

Income and Assessment
Years Ended Dec. 31

	1939 $	1938 $
Revenue	319,199	304,451
Expenditure	313,701	296,452
Total assessment	3,302,423	3,260,224
Exemps. not incl.	1,024,502	1,024,502
Curr. tax levy	152,140	143,412
Curr. tax arrears	26,750	32,607
Total tax arrears	39,677	44,525
Res. for tax arrears	15,000	......
Tax rate (mills)	43	41
Assets and Liabilities		
Total assets	1,966,768	1,898,934
Total debenture debt	1,441,126	1,441,126
Total sinking fund	131,279	400,502
Bank loans	188,280	188,780

Company Reports

B. Greening Wire

B. Greening Wire Co., Hamilton, reports a "very decided increase over 1939 sales" for the year ended June 30, 1940. H. B. Greening president, states that this reflects "in a substantial manner the results of the past few years' capital expenditures that have taken place in plant and equipment."

A jump in provision for Dominion and provincial taxes from $34,000 for 1939 to $161,000 for 1940 offsets a large portion of the higher net operating profit. Earnings per share amount to 84 cents compared with 71 in the previous year. Dividends of 60 cents were paid in each year.

Mr. Greening refers to the company's strong liquid and cash position. This should be maintained, the directors feel, "to be able, within our power, to give every assistance to the country that may be necessary in taking on new lines of manufacture vital to the defense of Canada and involving considerable capital outlay, as well as to protect the interests of the shareholders of your company in the future reconstruction period when a strong position may be essential for survival."

Income and Surplus Account
Years Ended June 30

	1940 $	1939 $
Net oper. profit	406,959	255,170
Less: Depreciation	48,361	48,361
Patents w/o	1,639	1,639
Directors' fees	1,155	1,000
Legal expenses	1,000	1,000
Mgmt. & selling sals.	18,000	18,000
Exec. salaries	17,000	17,000
Tax provision	161,000	34,000
Net profit	158,804	134,170
Less: Common divds.	114,000	114,000
Surplus for year	44,804	20,170
Add: Prev. surplus	656,527	637,901
Less: Loss on machy.	338	1,544
Inc. tax adjust.	4,484	......
Earned surplus fwd.	696,509	656,527
Earned per Share	$0.84	$0.71
Paid	0.60	0.60
Shares O/s., n.p.v.	190,000	190,000

Working Capital

	1940 $	1939 $
Current assets	1,123,078	909,138
Current liabilities	346,742	155,973
Working capital	776,336	753,165

Balance Sheet Items

	1940 $	1939 $
Cash	157,525	295,820
Dominion bonds	101,354	......
Inventories	499,167	372,688
Payables	157,242	89,001
Tax provision	161,000	38,472

Nanaimo-Duncan

Net profit of $58,833 for Nanaimo-Duncan Utilities Ltd., Nanaimo, B.C., in the year ended June 30, last, was up 15% from the previous 12 months. Every department of the company showed increase in sales. Power sales of 15.4 million kw.h. were up about 33%, biggest increase being in commercial business.

Earnings were equal to 41 cents a share on the common stock, down 10 cents from a year previous due to the issue of 25,000 new shares during the year. Total outstanding now is 75,000, and the company now has 927 common and 394 preferred shareholders.

Due to increase of about 400% in electrical energy sales during a five-year period, the company has found it necessary to proceed with a 500 kw. addition to the Millstream power plant, according to J. A. Clark, president. This is being proceeded with at present at a cost of $70,000, and when complete is expected to increase the company's hydro-electric output by 40%.

During the year recently ended, 18 miles of distribution lines were built—mostly in rural areas—at a cost of $31,538. No new financing or major capital expenditures are under consideration at present, according to Mr. Clark.

The figure has been cut almost in half since 1936. Number of electric customers of 5,635 showed an increase of 174 during the year, while 50 new water customers were added.

The company generated 3.1 million kw.h. in its hydro plant, an increase of 647,730 kw.h. over the preceding year, due to more water and improvements in water storage facilities.

Income and Surplus Account
Years Ended June 30

	1940 $	1939 $
Oper. revenue:		
Electricity	402,567	349,956
Water	21,561	20,951
Total oper. revenue	424,128	370,907
Less: Oper. exp.	219,589	192,591
Operating profit	204,539	178,316
Add: Other income	187	870
Net earnings	204,726	179,186
Less: Depreciation	61,412	55,835
Bond interest	28,077	28,077
Duncan debs.	2,158	2,256
Other interest	3,518	3,984
Pension fund	5,338	4,861
Income taxes	43,998	21,764
Conting. prov.	1,392	11,125
Net profit	58,833	51,284
Less: Pref. divds.	26,000	26,000
Common	25,000	20,000
Surplus for year	7,833	5,284
Add: Prev. surplus	81,694	76,410
Surplus forward	89,527	81,694
Earnings per Share:		
Preferred	$7.35	$6.41
Paid	3.25	3.25
Common	0.41	0.51
Paid	0.40	0.40
Shares Outstanding:		
Preferred	8,000	8,000
Common	75,000	50,000

Working Capital

	1940	1939
Current assets	143,823	144,136
Current liabilities	114,425	88,918
Working capital	29,398	55,218

Balance Sheet Changes

	1940	1939
Inventories	31,595	40,483
Prov. for taxes	51,356	27,057
Bank loan	......	125,000
Common stock	183,053	54,928
Revaluation surplus	......	183,810
Tsfd. from rev. surp. to capital	174,813	......

Western Grain

Generally favorable crop conditions in the territory in which Western Grain Co.'s country elevators are located resulted in a substantial improvement in operating results. For the first time since the year ended July 31, 1931, a net profit is reported after providing for depreciation and bond interest. On the 6½% preference stock, net is equivalent to 75 cents a share in the year ended July 31, 1940. No dividends have been paid since April, 1931.

Bond interest was provided but not paid and is in arrears since Jan. 2, 1937. The company set aside depreciation of $234,183 last year, double the amount provided in recent years.

A. C. Reid, president, points out that the present wheat crop in the Prairie Provinces is yielding very well, the average estimate being 525 million bushels.

Sharply curtailed exports, however, as a result of the war has meant that the existing storage space is to a large extent taken up with last year's wheat. The company is building temporary annexes at a number of its country elevators to aid in providing storage space. He states that the general storage situation will retard the movement of grain through country elevators this season and "will probably result in a smaller handling than that of last year." Tariff storage rate was reduced by one third on Aug. 1, 1940, by order of the Board of Grain Commissioners for Canada.

The balance sheet as at July 31 this year reflects the change in volume of business. Inventories of grain are more than five times greater and a bank loan of $931,000 has appeared. No change has been made in 6% bonds which remain outstanding at $2.7 millions. Arrears of sinking fund amount to $225,000 at July 31, 1940.

Consol. Income and Surplus Account
Years Ended July 31

	1940 $	1939 $
Operating earnings	625,476	38,626
Add: Invest. income	1,504	20,062
Less: Exec. sals., legal fees	27,989	22,557
Directors' fees	1,075	800
Net earnings	597,916	35,331
Less: Depreciation	234,183	115,466
Bond interest*	163,200	163,200
Loss on fixed assets	6,881	......
Tax provsiion	51,400	......
Net profit	142,242	†243,335
Less: Previous deficit	888,469	615,678
Wheat Board adj.	7,177	......
Loss on fixed assets	......	29,455
Add: Sask. int. rec.	4,073	......
Deficit forward	749,331	888,468

*Accrued but not paid.
†Loss or deficit.

Working Capital

	$	$
Current assets	2,362,184	602,441
Current liabilities	2,005,490	566,353
Working capital	356,694	36,088

Balance Sheet Changes

	$	$
Cash	68,100	137,334
Grain inventory	2,242,780	481,107
Bank loans	931,000	......
Cash tickets, orders, etc.	230,744	74,781
Payables & accr. liabs.	183,130	45,308
Accrued bond int.	584,800	421,600

Canadian Power & Paper

Canadian Power and Paper Investments' financial statement for the year ended July 31, 1940, shows a gross income of $67,988, practically the same figure as for the preceding year. Debenture interest was paid as it became due, but as there were no earnings available in the 1940 fiscal year for arrears of interest, no action was taken.

The balance sheet shows a reduction in outstanding debentures from $916,600 to $871,400. Other changes among liabilities were unimportant.

Investments are now carried on the books at $4,555,271 against a market value of $1,046,099. A year ago the book value of investments was $4,662,449 and the market value $1,192,194.

Comparative figures on the income and surplus account follow:

Income and Surpus Account
Years Ended July 31

	1940 $	1939 $
Gross income	67,988	67,599
Less: General exps.	3,974	4,211
Directors' fees	1,500	1,500
Taxes	1,493	1,232
Debent. interest	44,551	48,368
Foreign exchange	3,885	208
Depreciation	12,500	25,000
Deficit	14	12,920
Previous surplus	11,576	8,546
Add: Red. debent. liab.	10,170	15,950
Balance forward	21,732	11,576

Hunt's Ltd.

Hunt's Ltd. report sales of $1.2 million for 1939, down slightly from the previous year. Net income of $1,366 is off about $15,000 from 1938.

Harry W. Hunt, president and managing director points out that restaurant services involve high rents, a relatively high investment in equipment and certain fundamental disadvantages in store layout for retail merchandising. Influenced by these factors, restaurant facilities in some units have been closed. Some unprofitable stores were closed, some established units have been modernized and the locations of others changed. Mr. Hunt stresses that the changes have proved "entirely satisfactory."

Mr. Hunt reports $60,000 was spent in modernizing stores. This involved 11 Toronto stores, which have been changed over to the new-type unit to sell only candy, pastry and ice cream; and one Ottawa store selling candy only.

Income and Surplus Account
Years Ended

	Dec. 31 1939 $	Jan. 1 1939 $
Sales	1,213,498	1,239,908
Net income	1,366	16,360
Less: Depreciation	53,589	56,420
Net loss	52,223	40,060
Add: Prev. deficit	74,799	34,864
Loss on equip.	31,773	*125
Res. for loss on inv. in subsid.	40,000	......
Deficit forward	198,795	74,799

*Profit.

Working Capital

	Dec. 31 1939	Jan. 1 1939
Current assets	79,196	76,246
Current liabilities	124,284	77,877
Excess of curr. liabs. over curr. assets	45,088	1,631

Balance Sheet Changes

	Dec. 31 1939	Jan. 1 1939
Inventory	47,497	41,632
Cash	13,201	2,665
Bank loan (secured)	60,000	22,107
Accts. payable & accr. expenses	64,284	55,770
Invest. in & adv. to subsidiary	10,285	48,333
Fixed assets	420,832	473,735

Third Can. General

Third Canadian General Investment Trust Ltd. reports substantial increase in net income for the first half of 1940 compared with the same period of 1939. The increase of approximately 18% is before providing for income taxes.

On a per share basis net liquidating value was $2.49 a share at June 30, 1940. This compares with $3.27 a share at Dec. 30 last and $2.80 a share at the end of June, 1939.

Marketable securities had a value of $1.6 million at June 30 this year and other securities an estimated value of $63,019, a total of $1.7 million. This indicates an excess of market value over book value of $61,487. Sir Henry Drayton, president, points out that reduction of slightly more than 23% from the $2.1 millions of net assets at the end of 1939 compares with a decline of 30% in the Dominion Bureau of Statistics index of 95 Canadian common stocks.

Changes in portfolio resulted in a net profit of $2.230 during the period. This amount, together with $7,818 realized from investments previously written off, was added to capital surplus distributable account, bringing this to $752,920.

Income and Surplus Account
Six Months Ended June 30

	1940 $	1939 $
Inc. from invests.	63,205	53,770
Add: Other inc.	48	24
	63,253	53,794
Less: Loan interest	955	395
Management fees	3,375	3,375
Directors' fees	280	300
Legal fees	......	100
Other expenses	743	763
Net income†	57,900	48,861
Add: Prev. surp.	190,593	162,319
	248,493	211,180
Less: Dividends	81,749	71,940
Pr. yr. inc. tax	605	......
Balance forward	166,139	139,240

†Before provision for income taxes.

Earns. per Share:	1940	1939
Earned‡	$0.089	$0.075
Paid	0.125	0.110

‡Before providing for income taxes.

Maritime Tel. & Tel. Setting New Records

From Our Own Correspondent

MONTREAL.—Stations in service of the Maritime Telegraph and Telephone System at the end of August established an all-time record. The company reports 45,139 stations installed, as against 44,920 the month before. Only one telephone was taken out during the month, and 220 were added.

Long distance toll traffic during August also showed a sharp increase, amounting to 158,013 calls, an increase of 15,636 over the same month last year. This was the heaviest increase in toll traffic since April.

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Ottawa Light

Will you outline for me operations and outlook of Ottawa Light, Heat and Power Co.?

Ottawa Light, Heat and Power Co. manufactures and distributes electric power and gas in the Ottawa and Hull region, serving approximately 175,000 people.

Consolidated operating profits in 1939 rose approximately $37,000 to $1 million. Net profit, however, declined to $234,518 from $249,151 in 1938. Provision for depreciation of $345,000 compared with $260,000, more than accounted for lower net profit. Earnings on the common shares were equal to $1.07 and $1.17, respectively.

Dividends on the common stock are currently being paid at the rate of $1 a share annually.

Increased industrial activity in the area which the company serves will probably increase output of electricity in the current year. It is probable, however, that increased taxation and cost of materials and labor will prevent this increase in revenue from being reflected in net profits. The company has exhibited a remarkable stability of earnings and a good record of dividend payments. It is probable that the level of earnings established will not vary to any great degree in the near future.

Amal. Electric

I would appreciate any current information on the operations of Amalgamated Electric Corporation which you are able to furnish.

Sales of Amalgamated Electric Corp. in the first eight months of the current year show substantial improvement over the same period last year. Continuation of business at present levels will bring results for 1940 considerably higher than in 1939.

This betterment has arisen principally from the demand created by supplying electrical equipment for plants re-equipping for work on war orders.

Net profit in 1930 was slightly better than in 1939, amounting to $56,515, against $44,416.

United Fuel

What are the latest earnings figures on United Fuel investments? What was the object of the reorganization of 1938?

Report of United Fuel Investments Ltd. for three months ended June 30, last, first quarter of the company's year, shows consolidated net earnings, after all charges except income and excess profits taxes, of $131,635 compared with $33,914 in the corresponding period of 1939.

Major portion of the increase is attributed to higher volume and better prices experienced in the sale of coke. Increased volume was shown in sales of gas for industrial use, while average selling price was higher. There was a further increase in the number of meters conected.

For the full year ended March 31, 1940, the company earned $5.26 a share on the class A preferred compared with $3.65 a share in 1939.

The territory served by United Fuel is exceedingly active at present because of its highly industrialized nature. There seems no sign of any slackening off in this condition which will probably last at least as long as the war. This gives a background for a good volume of sales.

The reorganization of 1938 left United Fuel Investments jointly controlled by Dominion Natural Gas Co. and Union Gas Co. of Canada. The long-term plan for consolidating the assets of these two companies has as its objective the sale of mixed gas and more satisfactory utilization of resources of both natural gas and manufactured gas.

The class A preference of United Fuel carries a $3 a share annual dividend which is paid regularly and which appears to be well protected by earnings on the present scale.

Bawlf Grain

Would you kindly summarize for me the offer being made for the assets of N. Bawlf Grain Co.?

Preferred shareholders of N. Bawlf Grain Co. will meet Oct. 25 to consider offer of Alberta Pacific Grain Co. to purchase the company's assets and assume liabilities for $1 million. Directors of Bawlf have already accepted the offer and have recommended that shareholders approve the transaction. Reason given for the recommendation is that numerous factors make the operation of the Bawlf properties as a separate unit unprofitable. It is pointed out that a succession of several large crops would be required to restore working capital position. It is indicated that even with a crop value almost 50% above the 10-year average, the company could do no more than earn half current dividend.

So far as can be determined net assets of N. Bawlf Grain Co. are somewhat in excess of the $1 million offered to the shareholders. Exact determination of the value of the fixed assets that would be transferred, or the value of membership, etc., appears virtually impossible.

The company has shown insufficient earning power to enable it to evaluate to any great extent this aspect of the enterprise. There would be available for distribution to holders of 20,000 preferred shares $1 million, equivalent to disbursement of $50 a share on the 6½% stock of $100 par value. Dividends have not been paid on the stock since Dec. 1, 1930.

Cons. Securities

What type of organization is Consolidated Diversified Standard Securities? What would you consider its prospects?

Consolidated Diversified Standard Securities Ltd. is an investment trust of the management type, combining operations of three predecessor companies.

At Dec. 31, 1939, the company's assets totalled $954,760. Securities portfolio at that date consisted of the following: Bonds 5.09%; preferred stock 7.99%; common stock 83.55% and miscellaneous and unlisted investments 3.37%. Revenue producing securities held at the end of the year showed an increase from 80% of portfolio to 90% of portfolio.

Income from securities and consequently amount available for disbursement to shareholders is dependent upon the prosperity and disbursement policy of the organizations in which the company holds securities. Investor in the stock of Consolidated Diversified is permitted to participate in the securities of a great number of industrial, mining and other organizations, which otherwise would be impossible.

Mimico, Ont.

What are the prospects for Mimico, Ont., particularly with reference to the 4½% bonds?

The town of Mimico has been making a much better showing under supervision of the Ontario Municipal Department. The municipality was removed from default in 1938.

The town has been able to balance its budget both in 1939 and in 1940 and has made ample allowance to take care of interest requirements on debenture debt. Mimico is primarily a residential section, so indications are revenues should remain reasonably stable. Prospect of it continuing to maintain debt service is promising unless, of course, something unforeseen should develop, such as further heavy capital expenditures requiring an increase in debenture debt.

Greater confidence is reported in the attitude of taxpayers toward the municipal administration as a result of the improvement made since Mimico was placed under supervision. As a result tax collections have improved and the municipality now shows a comfortable cash surplus on hand.

Current quotation on town of Mimico 4½% bonds is around 93 to 96.

Canadian Dredge

What effect has the war had on Canadian Dredge & Dock Co.? Have the shipbuilding facilities at Kingston been utilized?

Since the outbreak of war the position of Canadian Dredge & Dock Co. has become somewhat difficult. The Government stopped work on all public works of a non-essential nature some months ago. At the time these suspension orders came through the company had about $1 million of work on its books, a considerable portion of which dated back to before the war.

Negotiations have been going on ever since with regard to some kind of an adjustment, but all that has been arranged so far is a small job at the head of the lakes which will take a month or two and involve about $100,000. It is in the nature of finishing up some work already started as a protection. It appears that prospects for any further dredging work are not good this year.

Regarding the utilization of the company's shipbuilding facilities at Kingston, nothing definite has been arranged as yet. It is quite possible, however, the company may obtain contracts to make some smaller boats.

Something which would immediately change the position of Canadian Dredge would be a decision to proceed with improvement of the St. Lawrence as a power project. In the absence of anything very definite along this line, however, outlook for the stock is not at all clear.

De-Forest Crosley

I hold 6% shares of Canadian DeForest and understand this company is now the DeForest Crosley Co. Are the shares worth anything?

There is no record available of a company which you describe as Canadian DeForest. If, as you say, this was succeeded by DeForest Crosley Co., the stock so far as we can find out is worthless.

The DeForest Crosley Co. ended up rather badly and prior to its assets being taken over by the Rogers-Majestic Corp., had run into financial difficulties.

Statistics Bureau to Extend Sirois Commission Data

By STAFF WRITER

OTTAWA.—An arrangement has just been completed for the Dominion Bureau of Statistics, in co-operation with the Bank of Canada, to continue issue of Public Finance statistics as compiled by the Rowell-Sirois Commission on Dominion-Provincial Relations.

Some of the most important statistical studies ever undertaken in this Dominion were undertaken by the Sirois Commission in its long and intensive study of the Canadian economy.

Many enquiries have been made to Ottawa as to how soon these figures would be brought up to date. Some concern has been felt lest this important material be allowed to lapse. Already many of the statistical series are to two, three and four years out of date.

National Income Study

In respect of the national income and related studies, which appeared in a special volume published by the Rowell-Sirois Commission on this subject, it is understood that the Dominion Bureau of Statistics is planning to publish shortly an extensive review of its own national income.

The Bureau is understood to have used some of the Commission's material in this study but that it has devised its own methods and form of presentation.

As a result, the new national income studies will not be directly comparable with those of the Sirois Commission. Apparently it is not considered expedient to duplicate the considerable amount of work necessary in this field to continue the studies on the exact basis worked out by the Rowell-Sirois commission.

A Home that Savings Built

Savings are not just money . . . they are houses, farms, travel, enjoyment of life. Money is only the means to an end. The owner of this home used the facilities of the Canada Permanent to accumulate the money with which to build; and his savings paid for it over a period of time. Thousands are doing the same. Canada Permanent is ready to help you also to SAVE and BUILD. Its faith in the future of Canada has remained unswerving since 1855.

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O'KEEFE'S BEVERAGES LIMITED

Air Line Fights U. S. Authority

Canadian Colonial Claims No Jurisdiction on Intrastate Operations

From Our Own Correspondent

MONTREAL.—Canadian Colonial Airways Inc. is asking the United States district court in New York City to rule that the Civil Aeronautics Authority has no right to interfere with intrastate air lines.

The company operates a passenger air line from New York to Niagara Falls, N.Y., and a passenger and mail line from New York to Montreal.

The Civil Aeronautics Authority has brought a suit for an injunction to compel cessation of the company's operations between the two New York cities on the grounds that it has not received a certificate of convenience from the Authority. The company is seeking to have this suit dismissed, claiming that the Authority's jurisdiction does not extend to a wholly intrastate air enterprise.

Contests Jurisdiction

This Canada-U. S. service has been maintained for many years, and received a certificate this year to make a stop at Albany, N.Y., in addition to the former stop at Burlington, Vt.

Fast Time Order Hits Revenues

From Our Own Correspondent

MONTREAL.—Extension of daylight saving time for an indefinite period in Quebec and Ontario directly affects the commercial and domestic loads of Montreal Light, Heat and Power Consol. and Quebec Power Co.

For Montreal Power it is estimated that the ruling will make available for industrial use an additional 50,000 h.p. during the winter months. No figure is available for Quebec Power Co.

Shawinigan also has a fairly substantial commercial and domestic load on its lines, but the amount of energy involved is small compared with this company's overall output. Primarily it is an industrial power distributor. It will, however, pick up some power from the extension of daylight saving time.

Important to Hydro

Ontario Hydro is regarded here as the principal distributor affected by the order, as that organization is the largest domestic and commercial operator in the Dominion.

'Phone Circuit Longest in Empire

From Our Own Correspondent

MONTREAL.—A new direct telephone circuit has been put into operation between Toronto and Vancouver, the longest direct telephone circuit in the British Empire, according to an announcement made by the Bell Telephone Company of Canada.

The new circuit has been made possible through co-operation of five members of the Trans-Canada Telephone System—the Bell Telephone Company of Canada, Manitoba Telephone System, Saskatchewan Government Telephone, Alberta Government Telephone, and British Columbia Telephone Co.

An Alternative Route

Besides establishing a direct telephone link between Toronto and Vancouver, the new circuit provides an alternative route between Montreal and Vancouver and reduces the number of switching points on calls between the Maritime Provinces and the Pacific Coast.

Telephone traffic between Montreal and Vancouver may now use either Toronto or Winnipeg, as switching points, and calls originating in Saint John may be routed by Toronto. Until this week, there were two switching points on Saint John-Vancouver calls: Montreal and Winnipeg.

New Exchange Ruling May Hit Indies Travel

With Canadian leisure travel to the southern United States restricted to those who can get doctor's certificates, Nassau is making a bid for Canadian tourists this winter. But the Bahamas Island is not certain that present regulations of the Foreign Exchange Control Board will make it possible for many Canadians to spend their winter holiday there.

J. H. Anderson, manager of the Bahamas General Trust Co., of Nassau, who is a visitor to Canada, said to The Financial Post this week:

"We want Canadians to know that they can spend a holiday in the Bahamas without in any way weakening the Empire's war effort. On the contrary, their expenditures in Nassau, as indeed in Bermuda and the British West Indies generally, will assist in solving the difficult problem of war finance.

"These islands are within the sterling area. Our currency is the pound sterling. We are under the exchange control of the Bank of England. When Canadians buy pounds sterling to visit the Bahamas they are helping Great Britain to pay for the airplanes, shells, foodstuffs and other war supplies she is buying from Canada.

Sponsored by F.E.C.B.

"That is why Canada has imposed no travel restrictions upon travel to the British islands in the Atlantic. It is the reason, no doubt, why an official of the Foreign Exchange Control Board said in Toronto this week that when Canadians make application for American funds to spend the winter in the southern states, the Board will endeavor to induce them to go to Nassau or one of the British West Indies islands.

"Nassau should be particularly attractive to Canadians this year because of the appointment of the Duke of Windsor as Governor."

Mr. Anderson intimated that advance indications were that American travel to Nassau would set a new high record. But the island is desirous of maintaining travel connections in Canada, from which in the past about 1,000 visitors have come each winter for fairly lengthy stays.

Must Use Canadian Boat

The F.E.C.B. has ruled that Canadians may visit Bermuda, Nassau, etc., if they travel on a Canadian boat. The only Canadian boats running are the Canadian National "Lady" ships which sail for Bermuda and Nassau from Montreal in the summer and Halifax in the winter, calling at Boston in the winter only.

Another C. N. service operates the year round from Halifax and Boston to Bermuda, the Barbados, Trinidad, etc.

The F.E.C.B. will, it was announced this week, permit Canadians to buy sufficient foreign exchange to enable them to go from their home to Boston to take the boats there. But American exchange, it was announced this week, would not be sold to permit Canadians to pay passage on American boats or to take the plane from Miami.

Curb Nassau Travel

Mr. Anderson felt that this ruling would seriously jeopardize Canadian travel to Nassau and would fail to give effect to the Board's desire to divert winter travel to the West Indies.

Many people will not go to Nassau by the ocean route from Halifax or Boston because the journey is longer than they are accustomed to take, said Mr. Anderson. Sailing time Halifax to Nassau is seven days. He estimated that it would take about $100 of American exchange to go from an Ontario or Quebec City to Nassau by train to Miami and plane from that city. Unless Canadians were allowed to travel to Nassau by this route he felt that Canadian travel would be seriously restricted.

Drive Extended On Baby Bonds

10,000 Firms Are Now Regularly Collecting Subscriptions

From Our Own Correspondent

OTTAWA.—With the war savings drive at the half-way mark toward the objective of $50 millions, a new drive by the War Savings Committee is under way to increase scope of the payroll savings scheme. By this, employing firms deduct regular weekly amounts from payrolls for the purchase of war savings certificates.

A canvass will be launched through a voluntary staff of 800 employees of life insurance companies to encourage more employees to participate in the programme. At the present time more than 10,000 commercial and industrial firms have set up such systems.

Analysis of returns shows that monthly deductions have been signed over by employees all the way from office boys to presidents, and the amounts range from 25 cents to $40 each pay day. One firm alone remits to Ottawa $56,000 a month under the installment plan.

The number of firms participating in the plan in the different provinces is as follows:

P. E. I.	39
Nova Scotia	322
New Brunswick	417
Quebec	2,234
Ontario	5,465
Manitoba	554
Saskatchewan	246
Alberta	371
British Columbia	717
Total	10,365

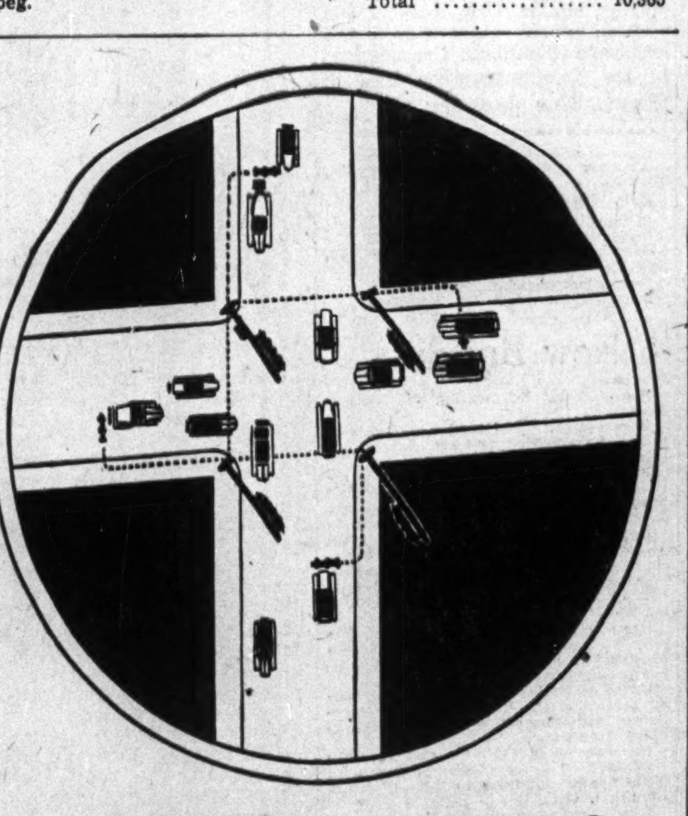
Quebec's Power Venture Grows

From Our Own Correspondent

MONTREAL.—The Quebec Government's venture into the hydro-power field will become a reality next summer, when the 50,000-h.p. plant on the Upper Ottawa River comes into operation.

In 1938 the Duplessis Government set up the National Electricity Syndicate for the purpose of developing a power site on the Upper Ottawa River to provide electrical energy for the northwestern Quebec mining area. Work was started before the end of the year and is well up to schedule.

Plans call for an installed capacity consisting of three turbines, each of 16,000 h.p. when operating under normal head of 68 ft. Each turbine is to be directly connected to a 15,000 kv.a.—25-cycle, 13,000-volt generator. The power house was built for total installation of four units, each of them to use a maximum 2,250 cu. ft. per second. Power will be transmitted at 110,000 volts over steel tower transmission lines.



TRAFFIC SIGNALS with a MEMORY

On red lights, when no cross traffic is moving, traffic actuated signals eliminate unnecessary delays. They also accommodate the fluctuations of changing traffic requirements. Truly they are said to have a "memory" . . . once a vehicle has passed over the detector its presence is recorded, and it will be given the right of way at the earliest opportunity in accordance with traffic conditions.

Many other interesting features of this flexible device may be learned from any branch of the

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THE Hotelman LIKES DOMINION Battleship LINOLEUM

BECAUSE IT ATTRACTS Guests

The experienced hotelman knows the importance of floors in restaurants, beverage rooms, lobbies and other public rooms. So he chooses Dominion Battleship Linoleum for its innate beauty, quiet, ease of cleaning and foot comfort. It stands up under the heaviest day-in and day-out punishment. Simple waxing keeps Dominion Battleship Linoleum like new: it never needs costly refinishing. Comes in a wide range of colours and effects offering endless decorative scope and backed by our 5-Year Guarantee when laid according to our specifications. Ideal, too, for offices and stores. Write us for samples and literature.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED MONTREAL

HOW MUCH OF YOUR OVERHEAD IS . . . UNDERFOOT?

More Comments From Press of Canada On The Post's Story of War Effort

From newspapers all over Canada come words of high commendation for The Financial Post's special 96-page issue of Sept. 21, presenting the word picture of the nation's war effort under the title, "Canada's Industrial Front." Here are a few typical quotations about the issue from newspapers' diverse in geography and point of view.

Owen Sound Sun-Times

In an 80-page special number The Financial Post, that authoritative weekly newspaper which has its finger at all times on the industrial and financial pulse of Canada, sets forth in convincing and attractive fashion what Canada is doing toward assisting Great Britain to win the war. This issue is distinctly creditable to its publishers, its staff, and all who had any part in its production. It only contains a wealth of interesting information concerning what Canadian industry is doing at the present time toward turning out munitions of war, but it also deals with the problem which confronted the Canadian Government after Canada entered the war and how these problems were met. There is nothing that has been neglected to bring to the attention of the Canadian people what actually is being done in munition factories, airplane plants, shipbuilding yards, manufacturing establishments of all kinds in order that Canada and Great Britain may maintain intact that front line of defense and prepare for the offensive that is sure to come and must come to ensure victory. The issue is profusely illustrated throughout and should be preserved as a sort of bureau of valuable information on Canada's war activities.

Halifax Herald

Congratulations are due The Financial Post upon its publication of a mammoth 80-page supplement replete with illustrations and diagrams depicting the economic-industrial war effort of Canada during the first year of the conflict.

The supplement presents in text and picture a comprehensive review of how Canada's industry, finance and material resources have been mobilized and are aiding in the Empire's battle for freedom.

It is an arresting and inspiring story.

Marketing, Toronto

As Marketing goes to press, the biggest issue ever of The Financial Post, Toronto, arrives.

It is difficult to know whether to congratulate the advertisers or the publishers—both have joined in presenting a distinct contribution to Canadian business. The advertisements are representative of all fields of industry and leave one with a feeling of confidence in Canada's business and economic future.

Editorially, the issue divides into five main sections—the first dealing with general business and its contribution to victory—next a section on shells and other ammunition—the transport industry—airplanes, and lastly, ships.

The aim of the special issue is to show how Canada is organized for the total war effort—that aim has been splendidly realized.

Liverpool Advance, N.S.

The Financial Post, in its supplement, "Canada's Industrial Front," has given the story of what the Dominion has accomplished to date in the production of war supplies—the most complete record yet attempted. The general public has no conception of the diversity of requirements to carry on Canada's war. The manner in which peacetime plants have been transformed into munition factories and the extent to which Canadian industries are engaged in aircraft manufacture, shipbuilding and scores of other tremendous undertakings, will come as a revelation to the public.

Chronicle-Telegraph, Quebec

A wealth of important and interesting information is to be found in the supplement . . . the results are a credit to all in any way connected with printing the number.

Despite the miscellaneous information published, The Financial Post observes the customary wartime prudence by not printing unnecessarily detailed disclosures.

Charlottetown Guardian

The expansion in Canada's wartime industry is told in a special issue of The Financial Post . . . packed with an almost bewildering array of facts, figures and illustrations. As revealed in the supplement, almost an industrial revolution is being worked in order that Canada's economic might may be made to tip the scales to victory.

The Financial Post supplement is in itself a splendid contribution to Canada's war effort, much more impressive, in its totality, than anything heretofore published in Canada, including the reams of literature issued through government channels. A copy of The Post's story of "Canada's Industrial Front" should be mailed immediately to Hitler's propaganda minister, Dr. Goebbels.

Lethbridge Herald, Alta.

It is an inspiring story that The Financial Post tells, and one that cannot but encourage the Canadian people in their tremendous effort.

Incidentally it paints a picture that is a far cry from the defeatist row over Bren guns which filled the columns of The Financial Post and Canadian papers generally a couple of years ago.

Revelstoke Review, B.C.

The Financial Post in its supplement has given the most complete record yet attempted.

It was felt that a survey such as The Post undertook would be a contribution to national confidence in our war effort.

Forest Free Press, Ont.

The Financial Post edited a 96-page paper, depicting by word and picture Canada's part in the Great War. It is too bad every citizen of our country could not read this paper. There would be no doubt left as to the great part Canada is taking in this gigantic struggle for the freedom of mankind.

We congratulate them on producing such a fine informative paper. We pay tribute, too, to the advertisers in this edition, which add greatly to the accomplishment of The Financial Post's Sept. 21 issue.

New Glasgow News, N.S.

Probably the first newspaper account of the whole Canadian war industry effort is contained in The Financial Post of Sept. 21.

The effort of gathering the necessary material, illustrating it and putting it out in readable form is to The Post's credit. More than anything else produced so far, it gives the general picture of what Canada as a nation has started in the last three months to do to aid Britain.

But here's the rub: Look through The Post from beginning to end, and you will find but one Maritime advertisement, that of Dosco, producer of basic steel.

Graphically as nothing else, this issue of Post shows how much we have been relegated to the duties of hewers of wood and drawers of water. It is true that an old Amherst plant is being modernized to assemble and repair airplanes; that we shall be producing shells in Trenton, after a year of uncertainty. Other odds-and-ends orders have included a few bunks, boots and socks.

But by and large, the Maritimes are producing nothing.

Sussex King's County Record, N.B.

The Financial Post is to be congratulated on the splendid supplement filled with valuable and informative data on the war effort of Canada, after the first year of the struggle. This paper consists of 96 pages, and indicates a great amount of research and hundreds of columns of writing.

It would be worth the while of every Canadian citizen to read it.

Winnipeg Tribune

Pointing up the great industrial development of Canada due to the war, The Financial Post has issued an 80-page survey of the economic battlefront. In news stories, photographs and advertisements it tells the story of industry slipping into high gear, and from a newspaper standpoint it is a very creditable product in content and makeup.

Timmins Press

The Financial Post issue of Sept. 21 is more than a newspaper. It is a complete picture of Canada's war industries and a volume that tells how the Dominion has met the demand for materials of war.

"Canada's Industrial Front" would make a valuable addition to any reference library if it were bound as a book or magazine, and it would make a substantial sized book, for the 96 pages of newsprint would equal approximately 700 pages of the average book size.

Orillia Packet & Times

The Financial Post in its supplement recently, "Canada's Industrial Front," has given the story of what the Dominion has accomplished to date in the production of war supplies—the most complete record yet attempted. The general public has no conception of the diversity of requirements to carry on Canada's war. The manner in which peacetime plants have been transformed into munition factories and the extent to which Canadian industries are engaged in aircraft manufacture, shipbuilding and scores of other tremendous undertakings, will come as a revelation to the public. It was felt that a survey such as The Post undertook would be a contribution to national confidence in our war effort.

Le Soleil, Quebec

The Financial Post publishes an imposing supplement devoted to Canada's industrial front. The public knows only superficially the diversity of the needs of the country for power to prosecute the war. The majority then will be surprised to see how factories producing articles of use in times of peace have been transformed into munitions plants and how great is the number of Canadian enterprises engaged in the manufacture of airplanes, ships and other necessities of modern war.

Parry Sound Star

The Financial Post in its supplement gives the story of what Canada is and has accomplished in the production of war supplies. The reader secures a general idea of the great diversity of manufactures Canada is producing for the carrying on of the war.

WHEN YOU CHOOSE YOUR CAR . . . CHOOSE GOODYEARS, TOO

If you are like most motorists you select your favourite from a big field of grand cars. And like most motorists you will insist that your new car be delivered on safe Goodyears. Goodyears increase motoring pleasure, provide peace of mind, and long, economical mileage. The latest Goodyear is the De Luxe All-Weather—a silent-running, slow-wearing traveller that gets big mileage stamina from an entirely new engineering principle. Air pressure actually re-shapes its tread—compresses it—makes it more resistant to cuts and bruises, provides for longer non-skid life. More new cars are equipped with Goodyear De Luxe tires than any other kind. They're built and balanced to car makers' specifications.

When you're buying your new car, simply say: "Be sure to put on Goodyear tires please." Goodyears won't cost you a cent more, but you'll enjoy many extra advantages.

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

Building Boom Gains Fresh Momentum

September Total of Contracts Triple Figure in Same Month Last Year—Nine-month Volume Up $97 Millions

Still greater pressure of war demand for buildings, chiefly for air training and war industry, gave added momentum during September to the building boom in progress through the summer.

New building activity in September soared to a total of $52.2 millions, nearly triple the figure of $19.3 millions in the same month last year—the first month of war.

Last month's volume is the highest for any month in the past ten years, excepting June, 1929 ($54.7 millions). The net increase of about $33 millions over September, 1939, was more than accounted for by contract awards amounting to $12.5 millions for air training structures and other public buildings, and nearly $27 millions for industrial construction.

Cumulative Up 64%

The September record boosted the cumulative total of contracts awarded in the first nine months of this year, as compiled by MacLean Building Reports, to $247.7 millions. This represents a jump of nearly $97 millions or over 64% over the same period of 1939. Industrial construction has contributed the largest portion of the increase in amount, and shows the highest percentage rise (344%).

The total awards under the head of business construction — which embraces air training and related projects—show a rise of nearly 80% for the year to date, and the September total was three times that for the same month a year ago. The September returns were featured by a slight rise in residential construction, and a sharp decline of nearly 80% in engineering awards. This last drop was due to curtailment of highway building and less construction of dams, wharves, etc.

Press Ottawa To Ease Way For Aluminum

Kitchenware Makers Insist Industry Needs Relief on Tariff

Faced with a two-horned dilemma when cut off from Canadian sources of raw material, Canadian makers of aluminum kitchenware are reportedly continuing pressure on Ottawa to lift the duty on imported aluminum sheets.

Supply of Canadian-made sheets was recently shut off by Government order, to conserve supplies for aircraft production and other war purposes, especially to meet British requirements.

This left the plants making kitchen utensils with the alternative of shutting down operations completely or getting sheet metal from the U. S.

Unless the duty on sheets is lifted, it is claimed, the latter plan would result almost as seriously as the first. It would leave the Canadian industry vulnerable to market-disturbing competition from U. S. producers of finished kitchenware. This in turn would lead, it is feared, to curtailment of the Canadian industry's operations.

Limited Stocks on Hand

Present stocks of sheets on hand, according to sources within the industry, are sufficient for only a few weeks operation of the eight Canadian plants making aluminum hollowware. Production equipment and plant set-ups, it is said, could be adapted to a very limited extent to other purposes or work with other metals.

Necessary supplies of aluminum sheets can be obtained from the United States to keep the Canadian plants going. But these are subject to a duty of 27½%, and it is contended this would force an increase in prices which would invite keen competition from U. S. producers of finished aluminum goods. After paying the duty, 11% U. S. exchange, and the exchange tax on imports, it is claimed, the Canadian plants would find it difficult if not impossible to compete with kitchenware imports.

Temporary Suspension

The industry is not pressing for cancellation of the tariff on aluminum sheets, but for its temporary suspension for duration of the war. It is argued that this would permit continued operation on a more or less normal basis of an industry employing around 1,000 workers and with an annual output of from $1.5 million to $2 millions. Concentrated in the Toronto-Hamilton area of Ontario, these plants are:

Canadian Producers Aluminum Hollow Ware

General Steel Wares Ltd., Toronto.
Aluminum Goods Manufacturing Co., Toronto.
Metal Stampings Ltd., Toronto.
Sterling Aluminum Co., Toronto.
Soren Manufacturing Co., Toronto.
Aluminum Ware Manufacturing Co., Oakville.
Duro Aluminum Ltd., Hamilton.
Hamilton Aluminum Co., Hamilton.

New Building

Reported by Engineering & Contract Record:

Brownsburg, Que., municipal authorities, have awarded $150,000 contract for construction of aqueduct and sewer.

Prairie Farm Rehabilitation officials are considering plan for construction of $3.5 millions earth dam across the St. Mary River in Alberta.

Dept. of Munitions & Supply has awarded general contract for construction of five hangars and 32 auxiliary buildings for service flying training school at Brandon, Man., as a unit in the air training plan.

Dept. of Munitions & Supply has awarded general contract at $693,243 for construction and defense project in Quebec province.

Canadian National Railways has awarded general contract at $300,000 for erection of four-story office building in downtown Winnipeg.

Otis-Fensom Elevator Co. and **Canadian Westinghouse Co.** are both having plans prepared for additions to their plants in Hamilton, Ont.

Canadian Locomotive Co. has awarded general contract for addition of three buildings to its plant at Kingston, Ont.

Canadian Tube & Steel Products Ltd. has awarded contract for $50,000 addition to plant in Montreal.

Department of Munitions and Supply has awarded contract for $786,500 flying training school buildings at Penhold, Alta.; for $407,000 flying training school at Summerside, P.E.I.; flight training school, Yorkton, Sask., $797,800; North Battleford, $813,900.

Dominion Textile Co. has given Anglin-Norcross Quebec Ltd. contract for $100,000 addition to factory at Montreal.

Premier Paper Box Co. has awarded general contract for $50,000 plant in Verdun, Montreal suburb.

Canadian Car & Foundry Co. has let contract for $50,000 extension and alterations to plant in Montreal, and for new $50,000 factory in the same city.

Canadian Acme Screw & Gear Ltd., has awarded general contract for large addition to its plant in northwest section of Toronto, contract for structural steel going to Disher Steel Construction Co.

Dept. of Munitions & Supply has awarded contracts for $350,000 factory building at Leaside, Toronto suburb; $236,200 airplane assembly plant at Edmonton; service flying training school buildings ($792,600) at Brandon, Man.

Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, broken down according to chief categories of projects started, are shown in the following tabulation by The Financial Post from the monthly building statistics of MacLean Building Reports.

CONSTRUCTION CONTRACTS AWARDED

First Nine Months

	1940	1939	—Change—	
	— Millions of $ —			%
Residential	49.4	53.5	—4.1	—8
Business	80.0	45.1	+34.9	+78
Industrial	71.4	16.0	+55.4	+344
Engineering	46.6	35.8	+10.8	+30
Total	247.7	150.8	+96.9	+64

September Totals

	1940	1939	Change	%
Residential	5.6	5.4	+0.2	+4
Business	18.3	6.2	+12.1	+195
Industrial	26.8	0.8	+26.0	+320
Engineering	1.5	6.9	—5.4	—78
Total	52.2	19.3	+32.9	+170

Details of September Awards

	—— September ——	
	1940 $	1939 $
Apartments	405,500	512,000
Residences	5,219,600	4,933,000
Total residential	5,625,100	5,445,000
Churches	155,400	140,500
Public garages	169,200	410,800
Hospitals	539,300	1,002,500
Hotels, clubs	1,410,800	150,500
Office bldgs.	556,500	304,100
Public bldgs.	12,565,700	1,524,300
Schools	430,700	1,239,300
Stores	479,200	467,700
Theatres	500	124,400
Warehouses	2,002,000	819,100
Total business	18,309,300	6,183,200
Total industrial	26,801,700	771,800
Bridges	39,800	307,400
Dams, wharves	81,200	1,108,900
Sewers, w'mains	347,900	200,300
Roads, streets	949,000	5,259,300
Gen'l. engineer'g	106,000	103,200
Total engineer'g.	1,523,900	6,979,100
GRAND TOTAL	52,260,000	19,379,100

Nine Months Totals

1940	$247,749,000	1938	$143,461,700
1939	150,781,900	1937	178,406,900

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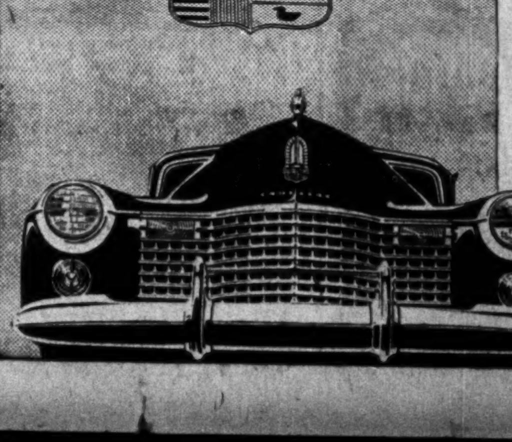
Quebec Pulpwood Cut Climbs High in 1940-41

From Our Own Correspondent

MONTREAL. — Pulpwood operations in Quebec's Saguenay region will be on a much more extensive scale this winter. About 12,000 men will find employment in the timber limits of three paper companies operating in the district. These firms report they expect to cut more than one million cords of pulpwood.

Price Bros. & Co. top the list with a 600,000 cord advance estimate which would give work to 6,500 men. Consolidated Paper expects to cut 300,000 cords and employ 3,200 men and Lake St. John Power and Paper 200,000 cords and 2,500 men.

NOW—THE LOWEST-PRICED Cadillac V-8 EVER BUILT



PRICED HUNDREDS OF DOLLARS LOWER — AND A FINER CAR IN EVERY WAY

Today we present the Value Sensation of the Century—the new Cadillac Sixty-One—styled and appointed to rank with the most distinguished Cadillacs ever built : : : powered by the mightiest Cadillac V-8 engine of all time : : : engineered to challenge the economy of cars built especially for thrift : : : *and priced lower than a Cadillac V-8 has ever been before!*

Come in : : : learn how easily you can join Canada's most satisfied motorists : : : get the facts about the Sixty-One and the three additional new Cadillacs and two new Cadillac-Fleetwoods which make up the finest array of motor cars Canada has ever seen!

CAD-141

THE FINANCIAL POST

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Sir Norman Angell—

How Hitler Uses the Lindberghs

Confusion Over Real Relation of Britain to Empire Makes Fertile Ground for Seeds of Distrust Sown by Nazi Propaganda

This is the second of a series of five articles which the famous British author, Sir Norman Angell, is writing specially for The Financial Post. Remaining articles in the series will appear in successive issues.

By SIR NORMAN ANGELL

When Hitler set out to make himself master of Germany, the weapon of persuasion—of forcing certain ideas into the minds of masses of people—was all he possessed.

He could not use force at that time for he had none—no army, no Gestapo, no Brown Shirts. And when he had become master of Germany and set out to make Germany master of Europe as the preliminary to making it master of the world, his first victories—and in a strategic sense his greatest—were not achieved by force. They were bloodless victories, achieved by political intrigue, by dividing his prospective enemies; by instigating or by using moral and political disunity in the peoples he intended to overcome. As he put it himself: "Our strategy is to destroy the enemy from within; to conquer him through himself."

SIR NORMAN ANGELL

The general method is very plainly revealed by the events of this year in Norway, Denmark, Holland, Belgium — and in the collapse of France. When, before the war, small Fascist parties arose in those countries, they were native, not German, and those who created them may have honestly believed that Germany had nothing to do with their establishment. We now know that Germany was giving immense aid by all sorts of devious routes.

But the influencing of public opinion went very much beyond support for local Nazi or Fascist parties. The main effort was directed toward discrediting the idea of any alliance or association with other nations for common resistance to Germany.

Persuasion and Terror

In every case there was employed a mixture of suggestion, persuasion and terror. The Scandinavian states and Low Countries were all, in effect, told that any attempt at alliance between them would be certain to bring on war; that if they kept out of the quarrels of others and observed strict neutrality they could have peace. Thus the terms of the various "non-aggression pacts" which Hitler entered into, the effect of all of which was, "If you will agree to give no undertaking to third parties to join in war I will agree not to attack you."

In other words Hitler was busy organizing isolationism and neutrality among the European democracies as the prelude to destroying them one by one. If the baker's dozen of nations which Hitler has conquered had not been isolationist and neutral, and had, on the contrary, stood together, he could never have overcome them. The thing which has made Hitler's conquests possible is that his enemies were "isolationist."

His activities in France illustrate his methods. His organization did everything possible to persuade the French public that Britain was "using" France to promote her own selfish ends, as we have already seen. In this instance, as in others, his machine used, wherever it could, a pre-existing prejudice and kept it alive and developed it.

There has always been some Anglophobia in France; Goebbels made it his business to see that it did not die out and that by every device of cunning it should be inflamed.

In the United States

So in the United States today. Isolationism has always been deep-rooted in the United States; there has always been some Anglophobia; always some endorsing the view that Britain has lived and flourished by "predatory and piratical imperialism;" that the territory of the world is divided with gross unfairness; that "Britain owns far too much and great expanding states like Germany and Italy and Japan own far too little," and that in the sheer interest of justice there should be a redistribution.

We have heard this sort of stuff for years—and paid far too little attention to it. For it is precisely through such ideas that Germany will now work in order, if not to frustrate, then at least to delay that co-operation of the English speaking peoples which, if brought about in time would certainly defeat him; but which he hopes will come too late to save us.

We ought to face squarely the fact that—owing very largely to our past indifference—he has very fruitful soil on which to work.

It is not merely German-Americans or Italian-Americans or Irish-Americans who speak of "Britain's imperialism and oppression"; nor is that sort of fustian confined to Indian Nationalists. One may hear it any day from youngsters in almost any university in the Empire; youngsters often ardent and sincere, who feel that at last they have found a "cause" to which to devote their lives (these particular measles usually pass round about twenty-three); something which will make them "different," setting them apart from the dull-witted bourgeoisie around them.

The last remedy which should be applied either to the German propagandist or his native dupe is that of repression or heretic hunting. They should be answered; the public should be shown that the ideas which form the substance of this propaganda are based on misapprehension, ignorance, and, sometimes, sheer falsehood.

Hangover From Past

Much of the ignorance, especially in relation to "British Imperialism," upon which Dr. Goebbels trades is a "hangover" from the past. There lies on my table, as I write these lines, a copy of a Chicago paper less than a week old, giving pictures of an anti-British demonstration in which some banners are being displayed. On one of these banners is inscribed the words: "Britain Rules the Slaves—FREE IRELAND."

Now the Irish Free State is today no more subject to the British Government than is Mexico or Brazil—or Canada.

The Irish Free State is freely permitted to be completely neutral in this war; a German Minister is still living in Dublin, with, it need hardly be said, an enormous staff of "clerical assistants."

Nor is that all. In the original Anglo-Irish Treaty provision was made for the retention by Britain of one or two naval bases on the Eire coast, in the same way in which Britain has freely granted the United States bases on British territory in Newfoundland and the West Indies.

But this was regarded by the Irish as such "intolerable slavery" that Britain voluntarily surrendered the provision and withdrew the garrison. Today British ships are being sunk, and British lives being lost, because the British Navy cannot operate from ports which Britain had previously occupied for five hundred years, ports in which German agents from the German "Ministry" in Dublin are free to circulate without interference by the Eire government.

It is extremely doubtful whether the torpedo which sent 80 children and over 200 men and women to their deaths the other day, 600 miles from land in a stormy sea, could ever have been fired if Britain had insisted upon her treaty rights with Eire to use the naval bases in Southern Ireland.

Well might Mr. Lees-Smith in the British House of Commons remark (before the sinking of this ship) that the world ought to know the price which Britain is paying for her respect of Irish prejudices, and in order to fulfill voluntarily conditions which even treaty obligations do not impose. I doubt whether any other country in the world, fighting for its life, with its back to the wall, would do as much.

Still Denounced

But the point is that though Britain pushes her respect for the independence and neutrality of Eire to these strange lengths she is still violently accused of "intolerable oppression" of Eire. Processions are still being organized in the United States to protest against British treatment of the Irish as "slaves."

Now that nonsense, so useful to Dr. Goebbels, is only possible because tens of millions of Americans are still quite unaware of what the real position of Eire is. They still think of Eire as an oppressed British province, still governed from Whitehall, just as they still think of the British Empire as an "estate" "owned" by John Bull, who continues to draw piratical tribute from it.

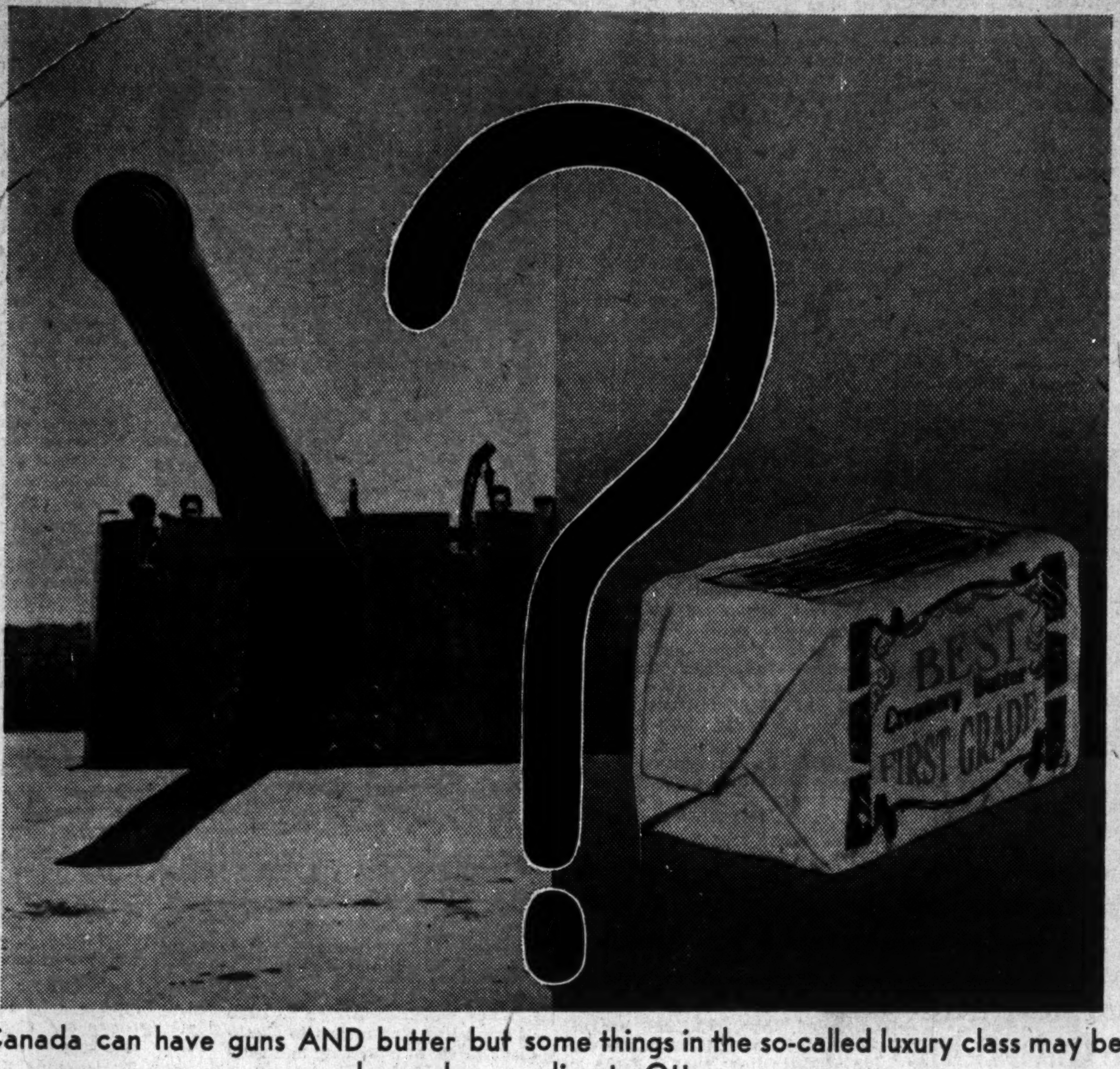
Even if they have heard of the Statute of Westminster which makes clear that the "Empire" has for the most part ceased to be an Empire, and has become a group of independent states freely associated for purposes of mutual defense and benefit, the knowledge has not yet "bitten," has not really altered the older picture which painted things as they existed a quarter of a century—or three quarters of a century—ago.

Thus Colonel Lindbergh, addressing 30,000 people in this same Chicago, tells them that this war is due to British Imperialist greed. It is not, he said, a war for democracy, or Christian principles, nor for the rights of small nations. "The issue," he said, "is one of the oldest and best known among men. It is concerned with the division of territory and wealth between nations. When I saw the wealth of the British Empire, I felt that the rich had become too rich. When I saw the poverty of Germany I felt that the poor had become too poor."

A whole library of books could be filled with similar declarations made by public men, writers, journalists, during the last few years. They would not be confined to non-British sources. Many, many books could be filled with British statements to the same effect.

A certain very learned and pretentious book written by a former official of the British Foreign Office appeared at about the time of the declaration of war fully supporting Lindbergh's general proposi-

(Continued on page 12)



Canada can have guns AND butter but some things in the so-called luxury class may be banned, according to Ottawa.

Here's What U. S. Editors Think About Canada's War Effort

By KENNETH R. WILSON
Staff Writer, The Financial Post

Millions of U. S. Readers Get Impartial and Impressive Account

Millions of American newspaper readers last week got a shrewd, appraisive insight into Canada's war effort.

They saw it through the eyes of the two-score journalists and war commentators who visited Canada recently as guests of Canadian Press, and the Government of Canada.

In seven well-filled days these editors travelled 2,700 miles by special train to get first-hand glimpses of the national war effort. Starting with a Sunday midnight visit to a shell plant at Hamilton, they saw, in turn, troops in training at Camp Borden, at Trenton, at Petawawa, at Valcartier and at Halifax. They got the first "inside" story yet given of a German internment camp. They spoke with Cabinet ministers and key officials at Ottawa and went coursing out to sea on Canadian destroyers through the net-guarded narrows of a famous "eastern Canadian port."

Here and there, these topflight observers and experts were cautioned against being too specific as to this and that. By and large they were shown the best, given a chance to see the worst of Canada's war programme. They were allowed to go home and write uncensored, unvarnished accounts of what they saw and did.

As a result, papers whose circulation totals, in aggregate, tens of millions daily, have been giving big space to Canada's war effort in recent days. This comment is penetrating, sobering. It is candid, sincere and informative. Never at any one time has Canada received such widespread informative publicity as has resulted from this tour.

What do these editors think of Canada's war effort?

Perusal of 60 or more columns of articles which appeared last week in leading daily newspapers from Boston to Chicago, reveals universal agreement and amazement at "the grim earnestness and determination" of the Canadian people. One writer summed it up neatly by telling how serious, intense and earnest he found the young men in training. "They even prefer milk to beer."

Typical phrases which Americans read last week about Canada were these:

"An eager, united, determined Canada."

"Grimly silent, terribly in earnest."

"Spirited determination as opposed to enthusiasm."

"A war effort that is solid, but not flamboyant."

"Unitedly and aggressively determined."

"Oneness, eagerness, willingness."

"Without emotional appeal, a gigantic task is being tackled, and with united effort it is being completed, cog by cog, ahead of schedule."

"An energized nation, gaining momentum."

"A throbbing arsenal, operated by a united people."

"The multiplying signs of individual sacrifice are the indicators of the national will."

It came as a surprise to these hard-boiled journalists to grasp how basically serious and earnest Canadians had become about the war. They saw no slogans or flag waving, but found Canadians from Niagara to Nova Scotia equally purposeful and intense, with no thought in mind except ultimate victory.

They noted that Canadians were facing and prepared for a long war. The Detroit News featured a headline "Prospect of Ten-year War Finds Canada Confident." Many editors felt it significant that Canada was preparing for a long, uphill battle, with no illusions about the toughness of the job or wishful thinking as to an early victory.

Most editors looked frankly and objectively at the "effectiveness" of the war effort.

In a brilliant, analytical three-column article, Hanson W. Baldwin, authoritative war editor of the New York Times, pointed out that Canada was still "eight to twelve months short of being a major factor in the war."

"The Canadian problem," he wrote, "is not so much one of trained man power, as equipment." In addition to obvious items, such as airplane engines, tanks, heavy guns, etc., he described signal equipment as "woefully inadequate," commented upon the troublesome differences in specifications as between American and British war materials.

Less blunt but equally observant was Major Mark S. Watson, chief press censor to the A.E.F., in the last war and now war commentator for the Baltimore Sun. The trip left Major Watson impressed "with the great advances Canada's military machine has made in the first year of war, with the great advances which must yet be made if the Dominion is to fulfill its own hope."

One of these "hopes," to which the editors devoted much attention, was the famed Commonwealth Air Training programme.

Mr. Baldwin describes it as "Probably the only Canadian effort that may have

(Continued on page 12)

Millions of Americans Read These Headlines

Two score United States editors and war commentators had a lot to say after intimate study of Canada's defense machine.

The Pros and Cons—

Guns Versus Butter Can We Have Both?

What Purchases do You Make That Interfere With Canada's War Effort?—Are There Any?—Here's Why There Might Be

By GORDON L. SMITH
Staff Writer, The Financial Post

Canadian business is in a dilemma.

On the one hand it has its regular trade and regular customers clamoring for service; on the other is the incessant clamor of the Government—the relentless drive of patriotism—for vast supplies of war materials with which to smash Hitlerism.

All are agreed that the immediate job is to push the war until peace terms are dictated in what British bombers leave of Berlin. On that point there is no doubt whatever. But there is considerable confusion as to how ordinary Canadian business can be fully meshed with the country's throbbing war economy.

There have been "warnings" from various government leaders. Business has been told that certain war demands may cut across ordinary civilian requirements. Motor cars, refrigerators, radios and certain imports have been specifically mentioned.

But aside from this, no detail, no definite intimation as to when and where the wants of Mars and those of the ordinary citizen will conflict has been given.

Should regular customers and regular goods be forgotten completely and raw materials and factories held ready exclusively for war orders?

This is the poser the average Canadian businessman is asking. Undoubtedly an answer in the affirmative would permit the simplest course but, even if practical, it certainly would not be the best for business after the war and quite likely it might be far from the best for the country's present war effort as well.

The whole problem boils down to one simple factor—capacity.

We can produce so much goods. We can raise so much money. How much do we need for war? How much will be left for regular trade?

Full Potential is Elastic

Canada's potential volume of production, embracing both primary and secondary industry, is, of course, somewhat elastic though there are certain definite factors.

We know, for instance, fairly closely how much raw materials are available. We know our present power capacity and also what can be immediately developed. We know the number and approximate capacities of our existing factories. We know the numbers of workers available and at least something of their training.

With this information, plus the invaluable experience gained so far in war manufacturing, it should be possible to determine fairly closely our potential volume of production.

Further war stimulation and various economies here and there will boost this potential somewhat, but lack of key equipment, largely machines to build machines, and lack of highly skilled mechanics will definitely limit industrial expansion at least for the next year or so.

Estimating our ability to raise money is not so simple. Total from year to year may fluctuate widely. Our last war loan sold slowly. But many expert bond dealers believe that had the methods been changed, had there been more preliminary organization, more whoop and hurrah, the issue could have been put over among small investors alone. There is still about $1.5 billion of savings lying in chartered banks. Much of this can be pried loose for government war credit if the right enthusiasm is generated. Much will depend on taxation. One cannot use the same dollar for war loans and paying income tax. Much will depend on whether or not we can borrow in the United States.

$2 Millions Day Big Drain

At the present time, according to recent estimate of the Minister of Finance, we are spending or committed to spend between $2 and $3 millions a day on war account, mostly for goods and services, a smaller portion for army pay and allowances. Two and a half millions every 24 hours is a big drain on a nation of less than 12 million people. It is equivalent to $900 millions a year, something that cannot be dismissed with a shrug of the shoulders.

But it is also a big problem of supply. Canadian industry certainly cannot turn out goods to this amount without a profound effect on the production of regular lines.

Normally Canada produces goods and services to the value of about $3 billions in a good year. It is generally conceded that under the stimulus of war conditions this figure can be stretched about a third, giving us a maximum production in the neighborhood of $4 billions.

This is the amount of goods and services we have for running the country's regular business — primarily the provision of food, shelter and clothing for the 11.5 million non-combatant Canadian people—and for handling our share of the Empire's war effort.

At present Canadian industry is actually producing munitions and supplies for the Canadian and British Governments to the value of at least $450 millions a year, based on present weekly contracts signed. When we get our new government and privately owned war plants into full operation, this total may be stepped up close to $1.5 billion.

In other words, over one third of our total capacity for goods and services will be commandeered directly for war.

Before the middle of next year that percentage is certain to be increased. It can only gain at the expense of those peacetime goods we can or will have to do without.

How Tight to Pull Belts

The first problem is to determine to what minimum level can Canadian civilian consumption be reduced, with due regard to reasonable health and the voluntary acceptance of the average citizen.

Between this level and present military and naval requirements is our full potential expansion for war purposes.

Some of the production that will be left is of indirect but important war assistance. In this category come exports to the United States and tourist services within the Dominion. Both are essential in creating vital American credit for the purchase of war materials not available in Canada. Some of our potential war expansion may never be utilized unless demands expand greatly beyond present anticipations.

Only an inkling of possible civilian sacrifices has been officially forthcoming so far. Holiday travel to United States has been banned. Taxes of various kinds have been imposed on luxuries and semi-luxuries like expensive motor cars, on cameras and radios. These levies have been jacked up to a point where sales are discouraged and tax revenue becomes secondary. There is some expectation that cars may have to be driven longer, clothes worn shabbier, food and drink habits simplified. But generally the whole matter is still in the mere consideration stage.

Undoubtedly many goods and services can be diverted from peace to war uses at a time like this. But unless they can be diverted intact and immediately there is a useless sacrifice and waste. We must keep ordinary production going until its machinery is needed for war. Because out of regular business, as every schoolboy knows, must come the bulk of the money to finance the war, some of it as we go along, some of it later.

Upon the proper and possible diversion between regular business and war requirements and upon the timing of that diversion no individual can be the judge. The matter is much too complicated for that. Take a simple thing like cosmetics.

On the surface the decision may look simple. Lipstick, rouge and face creams may appear non-essentials; something that a nation can get along without in war time. Germany has practically banned them.

But that is only a part of the story.

Some cosmetic lines are essential to health, some will be required for army as well as civilian hospitals.

Could This Hurt War Effort?

How could a cosmetic factory and its supply of raw materials be diverted to strictly war materials. Most of the labor involved is female, not suitable for incorporation in heavy industry, little or no use in the fighting services. Most of the raw materials cannot be used for war purposes.

Finally there is the contribution of the cosmetic and allied industries in financing the war. In addition to regular taxes, most face creams, rouges, etc., pay a special levy of 10%. They contribute millions to the public treasury, play an important role in meeting as much of our war costs as we can out of current revenue.

Take silverware. Here again the decision looks simple. But there are not so apparent considerations.

Silver, an important raw material in the production of knives, forks and spoons, is almost a drug on the market, even in wartime. We have far more than we need.

Even the other materials involved, copper, nickel, etc., are produced in abundant supply. So far Canadian munition factories have been able to get all they require and still leave plenty for the silversmith, even plenty for export to foreign countries. The labor involved is usually highly skilled, not easily assimilated in other industry.

The time may come when we will have to give up manufacturing silver but manufacturers interviewed by The Financial Post doubt whether there is any necessity for such a step just now.

As with cosmetics and other at first sight non-essentials, the labor now profitably employed — and this means ability to carry a share of the country's war economy—would have to be diverted to other work if their chief line of production was discontinued.

Many Factors to Consider

Even in a marginal industry — those that can cater to both war and peace demand — there is a variety of factors to consider. The manufacture of automotive vehicles is a perfect example. Canadians have grown accustomed to

(Continued on page 12)

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How Hitler Uses His Lindberghs

(Continued from page 11)

tion that Britain being a "Have" and Germany a "Have-Not" was the real explanation of the struggle between the two countries; that Britain was always talking peace because she wanted to keep what she had conquered; and, if Germany was warlike, it was because she needed things which others possessed; and that morally there were not two straws to choose between the two.

Indeed this particular author ventured the suggestion that the "Have" powers were on the whole perhaps more to blame than the "Have-Nots." This gentleman, by the way, was put in charge of an important branch of British propaganda.

Now, not only will the world be doubtful about Britain's case so long as nonsense of this kind is current, but we ourselves will be confused as to our policy and purpose; our public fruitful soil for enemy suggestion.

If we are to think clearly at all about the purpose of this war; the cause for which we fight, and persuade others it is also theirs, we must realize that in this talk about "possessions" and "ownership" we are the victims of inaccurate and grossly misleading terms which give rise to just those current confusions by which Dr. Goebbels benefits.

Basis of Confusion

The confusion is mainly that between owning and governing.

Britain, the people who live in Britain, do not, as Colonel Lindbergh says they do, "own" the wealth of the empire—the farms, fields, factories, mines of Canada, for instance. The British government is responsible for the administration of a rapidly diminishing part of the Empire; but the British people do not own it; and if we cannot distinguish between "owning" and "governing" we cannot think clearly about political things at all.

A city council may govern a city; its members do not "own" it; and if the city annexes an outlying suburb the property in that suburb—the houses and furniture and bank accounts—do not pass into the hands of new owners. (The people "annexed" are themselves now part of the new city, the "owners").

And it is no more true to say "The people who live in big countries (Russia, Brazil, Argentina) are rich people and the people who live in small countries (Switzerland, Belgium, Denmark) are poor people," than it is true to say that people who live in big cities are richer than people who live in small.

Indeed, it so happens that the standards of life in small countries like Switzerland and Denmark have been among the highest in the world, certainly higher than in "imperial" Britain.

It is true, of course, that Englishmen may own shares in Canadian mines or railroads; but then so may (and do) Americans, whose country does not "own" Canada at all.

Annexing Canada

Not many years ago a certain Senator Hadfield made the suggestion that Britain should settle her debts to America by transferring part of "Britain's imperial estate, Canada," to the United States.

I wanted to know whether Americans supposed that a transfer of property from one group of owners to another would take place as the result of the change of flags; and added the suggestion that if the whole of the British Empire were transferred to the United States, lock, stock and barrel, there was not an ordinary Englishman who would lose a pound or an ordinary American who would gain one as the mere result of the transaction.

Of course, that does not tell the whole story. It is true that considerations of tariffs, currency arrangements, incidence of taxation, all enter in. But it is the part of the story which the world has not yet grasped; about which the most egregious confusions exist, confusions which the enemies of Britain turn to their immense advantage.

They benefit in many ways. Because of these confusions the Lindberghs the world over have the feeling that Britain stands for the perpetuation of gross economic injustice, and use their influence, therefore, to prevent association of their country with Britain's cause.

Furthermore, this picture of Britain as the plutocratic exploiter of subject peoples serves the ends of subversive and revolutionary elements, Communist and other, making their task of internal division and disruption so much the easier.

Widespread Ignorance

How widespread is ignorance concerning the Empire may be gathered from a fact, typical of hundreds which I could cite.

Lecturing once in a German university a statement of mine was challenged by the Professor of Political Science, who went on to inform me that the immigration laws of Canada and Australia were made by the Parliament of Britain at Westminster; and that the principal officials in those two Dominions were appointed by the British Government. The Prime Minister of a European nation made a not dissimilar statement to me about three years ago.

The average citizen, particularly in America, is too busy, too absorbed in his personal difficulties and problems, to take in elaborate statistical and bookish data dealing with the complex politics of our time.

But clarification of confusions like those I have mentioned, the confusion, for instance, between owning and governing, is within the limits of time and attention available for the busiest. And if that part of the truth were really clear, he would be far less subject to confusion and deception on the other parts. And the Lindberghs would be less numerous.

Guns versus Butter Can We Have Both?

(Continued from page 11)

using a lot of cars. Almost every family owns one. But the modern army also wants automotive vehicles, not many motor cars, it is true, but special trucks, armored cars, etc., vehicles that can be manufactured in the same factory.

On the surface it looks like direct conflict but glance at the studied statement of the head of one of Canada's largest motor plants:

"Here we have an industry which is capable of manufacturing hundreds of the latest type army vehicles every day of the week, and at the same time capable of turning out its full peacetime quota of passenger and commercial vehicles,

"It is obvious that any proposal to discriminate against its output for civilian use is not only unjustified, but actually is likely to produce the very result which it seeks to avert — namely, the impairment of the war effort."

Automotive manufacturers are confident that raw materials and labor being available, they can still further increase their present huge output of military vehicles for the Canadian, British and other Empire governments, and handle a normal peacetime demand for cars and trucks as well.

Few Canadians realize the plant capacity of the automotive industry. One 8-hour shift of labor a day for seven or eight months could easily produce minimum civilian requirements, leaving two 8-hour shifts and part of the third for army requirements.

No Acute Shortages Yet

True, this leaves the question of labor and materials open. So far, however, no acute shortages are reported. While such conditions continue, motor manufacturers argue that they should be allowed to continue to supply their regular customers in addition to Empire war needs.

They argue that there is more than their own interest at stake. They point out that throughout Canada there are 3,200 automobile dealers employing 22,000 people. This portion of the population directly depends on the continued sale of motor cars. They are in addition to the vast army of independent garage mechanics and gas station attendants. All contribute to the general welfare of the country, pay regular as well as special war taxes. The motor industry, it is pointed out, is one of Canada's greatest sources of revenue, contributing from all sources almost $80 millions yearly.

"But surely," it may be argued, "we can at least dispense with these yearly models. Let us, for the war, just stick to what we have."

Changing models annually is not just a scheme to make the owner of last year's car dissatisfied. It is a convenient way of passing along quickly the accumulated improvements of the previous 12 months. The practice has been the greatest single factor in keeping the auto industry on its toes.

The average businessman, The Post has found, does not minimize the Government's problem in converting a non-military country like Canada from peace to war.

He or his father remembers the hectic period of the last war and he has no wish to repeat it. He remembers with fear the soaring prices of 1914-20 and with disgust the charges of profiteering. He realizes that if the supply situation were left to follow its natural course, then soaring prices would be certain. Gradually as right-of-way war demands crowded the industries' capacity or the supply of raw materials, then consumers would begin to bid against each other for a dwindling supply of goods, with the inevitable result.

Not Problem for Individual

Because the average businessman realizes this danger he has no complaint over a fair and necessary rationing of raw materials and eventually over a rationing of finished consumer goods.

But this is a problem, he says, which he cannot solve individually; it is one for the directors of Canada's war effort. Only they have the requisite knowledge concerning war needs, war finances, raw materials and plant capacity. Only they know to what minimum we can afford to reduce our regular consumption.

But with some obvious and important exceptions, most Canadian industries, according to leading spokesmen, do not believe that the time has come for seriously curtailing ordinary consumer goods.

So long as this trade can be kept flourishing, so long will there be a constantly renewed source of war taxation and government borrowing.

Some of these goods carry tax sources out of all proportion to the amount of actual labor and raw materials involved. Liquors, tobacco, matches are classic examples, but some things like autos are not far behind.

Granted, then, the time has not yet arrived when factories irrespective of their lines should fire sales forces and shut their doors against regular customers, industry believes that warning of such possible steps in the future should be given with the greatest caution.

Easily Stampeded

The average customer is volatile, shrewd often in a shortsighted way, and as liable to be stampeded as readily as a bunch of western steers. A hint of scarcity will start him buying things he may not need for six months or years hence. Everyone remembers what happened with sugar when war was declared.

On a more moderate scale the same development was witnessed in motor cars last year.

Premature hints of possible future shortages of consumed goods, it is feared, may start the very thing the Government is trying to avoid.

Here's What U.S. Editors Say of Our War Effort

(Continued from page 11)

a major influence upon the outcome of the war."

Mr. Baldwin disguised but thinly his disappointment that this plan—Canada's greatest war contribution—will not produce its first class of several score pilots until November, and will not reach its peak rate until late in 1941. Mr. Baldwin apparently feels that if "all hell breaks loose" in the air next spring, the huge and thorough training programme now being set up in Canada ought, by hook or crook, to be ready to hit then to peak production for maximum effectiveness.

It seems clear that Mr. Baldwin would like to feel that Canada is throwing everything she has into the plan in order to reach this objective, to the exclusion of secondary or long-term considerations, such as the 30-day training plan, etc.

30-Day Draft

Many commentators made particular mention of the 30-day "draft" programme. Said Lowell Limpus, New York Daily News:

"Most of the army men regard this piecemeal training of the non-permanent forces as unsatisfactory—but consider it a temporary makeshift, used to tide them over until adequate equipment for the masses of Canada's man power becomes available."

John R. Reitemeyer, Hartford Courant, states frankly that our "conscription" has been virtually sabotaged" by what appears to an outsider to be a "needless yielding to political expediency."

Leonard Ware, Boston Herald, points out that Canada "really has more men in uniform or available for immediate enlistment than she can now advantageously use." Mr. Ware's paper carried a front-page editorial, "Canada After One Year Of War." It urged Bostonians to study carefully the articles on Canada's war effort.

"They will tell," it says, "a little of what this war means to Canadians in death, suffering and self-surrender. Most particularly they should help to convince Americans of the stark necessity of building a huge industrial war machine, before attempting to mobilize a huge army.

"The hour of our decision may not be far away—we shall avoid mistakes and save many lives if Washington will humbly attempt to learn by Ottawa's year of hard experience."

Britain's Need First

Many correspondents pay tribute to Canada for having stripped herself in order to give weapons and aid to Britain.

Says Mr. Limpus (New York News):

"Belatedly awake, an aroused, united Canada is deliberately stripping herself of planes, guns and troops as her contribution to the Battle of Britain. She hasn't been able to do much so far, but she is just about ready to step into the breach and assume a sizable share of the load. All she needs is a little more time. Her leaders pray it will be granted to them."

S. L. A. Marshall, war commentator of the Detroit News, discusses at some length Canada's war philosophy and the problem of striking a happy medium between aid to Britain on the one hand, and defense of its own shores on the other.

"There is always a tendency in war to confuse the first bitter ditch with the main chance. When that is done, first things cannot be put first and military power is wasted along an indecisive line.

"The most delicate of all military problems is this one of preserving balance between necessary expenditure in a theatre already opened, and conservation of force for the decisive battle.

"The Dominion is now walking this tightrope, and walking it, if one may say so, with steadier step and keener eye than we ourselves. Britain's plight tugs irresistibly at Canadian emotions, but cold military logic fixes the lines of Canadian military policy, the extent of its present help to Britain and the arrangements of Canadian military training."

Training Technique Obsolete

Mr. Marshall is also one of those who feels that many of the basic techniques being taught Canadian soldiers are obsolete and savor more of 1917-18 than of 1940.

"The simulated trench raid to which we were witnesses that evening seemed as outdated as a Zouave's flaming pantaloon and so did a number of the schools."

This commentator was tremendously impressed by the calibre and intelligence of Canada's armed forces. He quotes a Camp Borden major as saying, that the new soldiers are not like their fathers. They are willing and loyal and smarter than the "world war bunch," but when they get an order, they want to know why. The new generation, he reports, are machine-wise and able-bodied and if given a chance adapt themselves quickly to the techniques of mechanization. "In other words, if the machines were forthcoming, what a job could be done."

U. S.-Canada Relationships

Rice Howes (Detroit Free Press), discusses frankly the new relationships between Canada and the United States. Howes agrees with his fellow journalists that there is no acrimony in Canada toward U. S. neutrality; that Canadians are grateful for what the U. S. has done to further the British cause. He reports:

". . . an outspoken belief in some quarters that the two countries ultimately will be one. One gathers that those holding to this opinion don't particularly desire such an eventuality. They simply regard it as inevitable."

Mr. Marshall (Detroit News), thinks the U. S. will be definitely involved in war if Canada is attacked or if Japan crosses "Canada's line of communication with Australia."

A Japanese turn in the direction of Britain's possessions in the Far East, involves, says Mr. Marshall, "the gravest danger that their naval force will forsake hunting through the Pacific's wide and trackless spaces, to block such commerce, and destroy it along Canada's relatively undefended western coast."

"When that happens, we will go to war. We will have no choice in the matter. There is no alternative for the United States."

Mr. Marshall notes the difference in thinking between Canada and the U. S.

"The majority who compose the informed opinion of the Dominion are inclined to see the Battle of Britain not as the decisive manoeuvre, but as the second or third round of a no-limit contest that can end only in a ten-count for totalitarian or world democracy."

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Position of Chartered Banks of Canada as of August 31, 1940, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere*	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	21,380,340	39,530,257	13,789,732	....	236,311,422	430,458,363	85,502,841	3,123,724	7,554,231	6,492,575	50,421	10,611,942	3,593,628	745,066	39,000,000	36,000,000	934,144,547
Nova Scotia	9,182,868	8,101,769	1,846,893	....	58,370,399	151,832,760	42,204,369	2,044,892	1,874,948	950,825	....	7,228,112	29,020	364,329	24,000,000	12,000,000	320,031,190
Toronto	3,966,744	6,600,117	1,110,807	....	47,998,868	88,708,715	407,506	238,982	854,734	397,722	....	1,383,577	....	150,382	9,000,000	6,000,000	166,818,158
Provinciale	2,852,393	1,394,900	391,923	....	8,104,585	36,626,083	11,566	110	....	35,824	....	9,000	4,330	62,216	1,000,000	4,000,000	54,492,934
Commerce	17,661,882	15,236,802	19,286,679	....	162,193,279	319,184,966	62,189,692	293,182	2,333,319	5,618,282	12,207	19,320,022	....	36,655	20,000,000	30,000,000	673,366,972
Royal	23,713,188	22,085,897	11,764,300	....	246,332,918	334,503,347	204,789,147	213,839	2,934,037	8,884,625	134,087	18,512,248	44,125	720,214	20,000,000	35,000,000	929,631,978
Dominion	4,491,074	3,884,443	1,469,878	....	36,710,046	76,522,575	4,855,616	676,606	303,645	651,220	....	4,362,047	509,375	5,677	7,000,000	7,000,000	148,442,206
Nationale	4,907,935	4,085,163	1,282,732	....	31,798,273	94,001,269	483,197	1,660,806	101,395	347,076	....	679,756	58,902	143,496	5,000,000	7,000,000	151,550,005
Imperial	4,800,775	9,255,828	12,229,482	....	45,217,921	96,202,507	253,599	1,005,960	1,292,320	481,697	....	1,776,555	....	5,259	8,000,000	7,000,000	187,521,907
Barclays (Canada)	431,095	3,740,115	40,901	....	4,391,291	6,362,552	2,185,643	109,295	2,981,134	1,026,085	....	418,791	....	....	750,000	1,500,000	23,936,906
Total	93,388,294	113,915,291	63,213,327	....	877,429,002	1,634,403,137	402,883,176	9,367,396	20,229,763	24,885,931	196,715	64,302,050	4,239,380	2,233,294	133,750,000	145,500,000	3,589,936,803

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	439,421	85,560,610	21,896,327
Nova Scotia	15,000,000	12,000,000	12	2,826,364	24,070,000	9,182,868
Toronto	10,000,000	6,000,000	10	443,952	19,667,884	3,966,744
Provinciale	5,000,000	4,000,000	6	244,006	5,700,916	2,852,393
Commerce	50,000,000	30,000,000	8	1,376,873	47,693,078	17,969,348
Royal	50,000,000	35,000,000	8	1,994,064	62,451,509	25,286,223
Dominion	10,000,000	7,000,000	10	545,995	14,071,846	4,548,534
Nationale	10,000,000	7,000,000	8	313,207	12,145,244	4,907,935
Imperial	10,000,000	7,000,000	10	632,223	11,462,709	4,800,775
Barclays (Canada)	1,500,000	1,500,000	....	1,610	1,949,692	442,915
Total	211,500,000	145,500,000	....	8,817,715	284,773,488	95,874,263

*Of this amount $48,671,391 represents deposits in Canada in currencies other than Canadian. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,088,634	71,699	19,991,431	68,793,791	876,025	737,399	23,595,757	....	3,217,539	45,047,103	231,322,645	175,276,251	20,400,868
Nova Scotia	325,539	1,154,195	4,618,651	19,086,069	239,700	5,539,598	8,618,684	....	6,506,680	13,051,077	49,315,159	57,222,027	10,789,850
Toronto	229,930	....	3,504,447	13,672,186	130,715	126,033	4,915,801	....	205,321	2,867,022	29,651,762	50,187,483	5,082,053
Provinciale	216,602	....	1,712,961	4,200,629	135,485	52,443	1,998,101	....	37,292	618,722	1,417,940	6,297,942	13,477,076
Commerce†	803,347	134,884	10,496,761	41,370,159	459,674	1,572,624	16,246,022	599,301	3,994,529	20,842,752	104,811,465	112,756,533	8,867,280
Royal‡	1,128,822	2,682,842	17,072,152	44,323,136	814,581	20,783,215	27,394,764	11,060	13,370,756	40,539,913	201,381,471	115,621,258	7,325,340
Dominion	244,193	373	2,524,239	10,207,142	258,570	207,781	4,177,576	....	2,048,753	2,358,436	24,931,137	23,420,644	2,519,547
Nationale§	410,106	....	5,243,149	7,106,916	207,205	134,162	4,855,965	1,024,916	14,708	1,977,868	7,538,504	25,420,887	17,599,004
Imperial	388,648	....	5,307,885	5,021,522	289,390	132,916	6,644,374	640,396	84,840	5,391,871	45,454,620	31,398,288	5,613,519
Barclays (Can.)	2,184	....	98,080	1,758,122	2,065	5,050	368,695	1,871,814	2,324,330	2,286,385	5,564,520	6,443,983	1,000
Total	4,838,005	4,043,993	70,569,756	215,539,672	3,413,410	29,291,221	98,815,739	4,147,487	33,804,748	134,981,149	701,389,223	604,045,296	91,675,537

NAME OF BANK	Public sec. other than Can.	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets*
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	17,786,148	26,329,225	3,490,723	17,551,106	199,626,320	15,403,447	1,108,662	36,702,884	1,256,562	509,434	481,752	13,900,000	1,075,362	1,865,627	938,118,347
Nova Scotia	420,288	12,687,245	2,647,854	649,180	91,825,832	14,586,473	750,776	4,427,468	449,775	....	84,819	6,222,499	442,479	2,684,804	321,574,844
Toronto	....	3,818,529	1,038,262	....	43,602,109	....	....	5,463,172	106,876	....	15,014	3,325,913	184,645	....	169,510,839
Provinciale	....	1,795,276	3,303,805	....	13,647,713	....	49,885	2,493,143	81,720	524,633	411,129	2,075,370	140,978	125,926	54,813,780
Commerce†	28,036,313	21,972,447	7,766,003	8,084,269	199,475,315	17,076,322	10,683,282	17,292,252	2,593,437	2,537,862	1,260,765	14,551,583	847,000	4,173,710	678,625,933
Royal‡	15,642,818	35,554,105	9,614,227	10,648,017	217,423,908	82,371,947	1,337,275	22,023,625	2,696,842	2,113,310	811,422	14,331,975	1,340,000	3,857,187	932,728,230
Dominion	....	2,040,804	2,298,050	1,499,097	57,314,174	1,093,365	....	1,538,844	213,378	61,167	30,272	5,593,013	260,662	220,489	149,440,764
Nationale§	6,673	5,367,957	3,988,535	....	51,374,994	....	70,750	11,356,235	220,007	1,639,765	377,143	5,102,708	251,767	299,009	152,468,609
Imperial	....	58,342	3,097,179	....	63,450,013	....	531,361	6,664,926	328,962	126,565	326,506	5,879,679	256,393	111,351	188,976,112
Barclays (Can.)	....	....	248,128	....	2,079,444	....	....	....	7,560	....	....	450,000	20,556	....	23,930,709
Total	61,892,240	109,623,930	37,582,763	38,431,669	939,819,822	130,531,554	14,531,991	107,962,549	7,955,119	7,512,736	3,918,822	71,432,740	4,819,842	13,344,113	3,610,217,283

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above Return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The assets and liabilities of the Royal Bank of Canada (France) are not included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale (France) are not included in above return.—Footnote to Banque Canadienne Nationale return.

•Total assets include $64,302,050 letters of credit as shown in liabilities.

Pulp and Paper Industry

Publishers Protect Position

Keep Larger Reserve of Paper on Hand For Emergencies

By JOHN LANGDON
Eastern Editor, The Financial Post

Stocks of newsprint paper on hand with American publishers at the end of August passed the 59-day mark. Ordinarily this would be considered a dangerous level, as past experience has shown that when stocks exceed 35 to 40 days supply, a certain amount of accumulation is going on. Such accumulation, of course, must be worked off in time resulting in a lowering of mill operations until this task has been accomplished.

The dangers of excess stocks in publisher's hands were brought home to the Canadian newprint manufacturers in 1937-1938. In the first half of 1937 it was announced that the price of newsprint delivered in New York would be advanced from $42.50 to $50 a ton as from the beginning of 1938.

Had Severe Lesson

In the intervening months the publishers accumulated stocks in anticipation of the price advance. It was a profitable thing for them to do, as the increase was sufficiently great to permit them to buy and pay carrying charges on the excess stock and still save on the cost of newsprint used in 1938.

As a result of this policy the American publishers had an abnormally large supply of paper on hand at the opening of 1938. As they drew on this surplus, deliveries from the operators were reduced to correspond. The result was almost disastrous for the industry. The strain was particularly severe, newsprint mill operations dropping to well below half of rated mill capacity.

Watch Publishers' Stocks

Following this experience newsprint manufacturers have watched carefully any change in the volume of publishers' stocks, as they do not want a repetition of the 1937-1938 near catastrophe.

Since May there has been a marked gain in publishers' stocks—nearly 70%. The current position of publishers' inventory is by no means dangerous though a continuation of the present trend might give cause for concern.

No Normal Level

One of the difficulties in appraising the importance of publishers' stocks is the difficulty of arriving at anything like what might be called a "normal" figure. As consumption increases or decreases stocks should move accordingly. But even when they don't there are often extenuating circumstances to explain away any abnormality in trend.

Those factors which affect consumption of newsprint in the United States—advertising and reader interest alone do not account for the gain in stocks in the past quarter.

To the end of August, 1940, consumption by reporting members of the American Newspaper Publishers Association advanced 6.4% over the like period of 1939 and 7.5% over the corresponding eight months of 1938.

During this period advertising in 52 key U. S. cities increased by only 2.1% over the 1939 returns. Reader interest and in turn circulation improved, though the extent of the gain is not known at this time.

Trend in Consumption

The trend of consumption as reported by members of the A.N.P.A. follow:

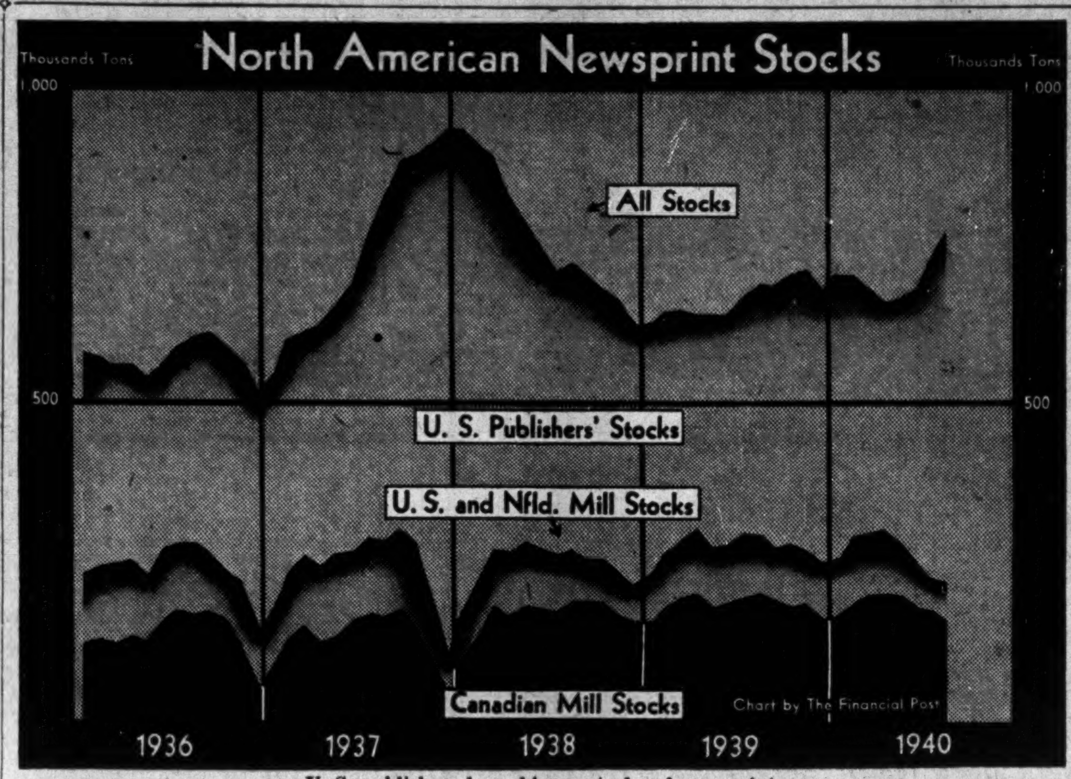
U. S. Newsprint Consumption*

	1940	1939
January	218,488	210,981
February	216,095	198,797
March	251,269	230,015
April	244,181	238,186
May	257,565	231,846
June	241,639	224,386
July	206,913	198,383
August	213,105	206,053
September		238,830
October		257,555
November		240,538
December		254,697
Total	1,849,255	2,730,217
Plus 23%	552,375	815,519
Aggregate	2,401,630	3,545,736

*Reported to A.N.P.A. by 421 newspapers that consumed approximately 77% of total U. S. Consumption in 1939.

Stocks Keep Pace

Naturally there is a tie-up as between consumption and stocks of newsprint carried by the publishers.



U. S. publishers have bigger stocks of newsprint.

It does not follow, however, that there is a fixed relationship. However, there is a co-relationship between the two as will be seen by comparing the figures in the above table and that following:

Apparent U. S. Publishers Newsprint Stocks

	1940 (tons)	1939 (tons)	1937 (tons)
January	434,563	399,057	356,557
February	413,872	380,047	354,774
March	375,545	361,969	355,486
April	355,409	340,395	384,335
May	378,786	364,840	383,293
June	419,376	363,773	412,539
July	501,741	375,411	475,284
August	550,838	394,059	539,817
September		411,764	576,853
October		419,741	613,108
November		440,154	706,694
December		424,869	832,535

Note:—Stocks at end of December, 1937, set at all-time record.

Stocks Move Up

Expressed in a simpler way stocks of paper carried by U. S. publishers at the end of August were equal to 59 days on the basis of current consumption. As will be seen in the tabulation below this figure was higher than for any month since August, 1938.

Publishers' Newsprint Stocks* Days Supply

	1940	1939	1938
January	47	44	77
February	42	37	69
March	35	34	58
April	35	31	53
May	35	36	51
June	38	37	50
July	54	46	54
August	59	48	56
September		42	46
October		40	42
November		43	43
December		40	42

*421 newspapers reporting to American Newspaper Publishers Association.

In view of the increase in consumption, the gain in stocks is a natural development. The point is whether or not the advance in stocks is greater than warranted by circumstances.

There are a number of factors to weigh in considering the position of the publishers' stocks. In the first place it is known that the demands made upon the Canadian industry, because of war conditions, have been unusual. The industry believes that with its present productive capacity it will be able to care for all demands made upon it provided that close co-operation is forthcoming from the users.

Co-operation on Deliveries

One of the problems facing the industry in the past has been the seasonal demand for paper. Consumption naturally drops in the summer months, due to the lower volume of advertising. On the other hand, it is during the late summer months that the manufacturers take advantage of the open navigation to build up stocks to meet the demand of the winter months.

When the war started the Canadian industry informed the American publishers that their needs would be taken care of provided that they helped to the extent of estimating their full year's requirements and spreading deliveries evenly over the year.

The publishers have co-operated in this request. As a result the normal building up of stocks has been thrown out of alignment, so that any seemingly sharp gain in stocks at mid-year (as has happened this year) must be discounted in its implications as it does undoubtedly reflect the publishers' co-operation with the manufacturers in evening off deliveries.

Over and above all, however, is the fact that war conditions have created a new set of conditions which are having a strong bearing on all branches of the publishing industry, including the carrying of reserve stocks of newsprint.

This situation is well put by an American authority who follows the newsprint situation very closely from the point of view of the publishers. He says:

"Newspaper executives are aware of the extreme fluctuations that can occur today in the use of newsprint. Circulations in various cities advanced from 25% to 40% during the Battle of France. There are settings today for equally spectacular news events in any one of a dozen places, such as an attempt of Germany to land troops in England or England to land troops in France or Germany or perhaps Norway. There is a possibility of France having an uprising, either to go back into the war or for some political change. There are possibilities of uprisings in countries now controlled by Germany.

Must Protect Position

"All of these would skyrocket circulations and publishers must have adequate newsprint on hand to care for such fluctuations. There were many publishers caught unawares in the spring and early summer because their stocks were dangerously low at that time.

"Thus, we are looking for a greater use of newsprint in the near future because of possible increases in advertising and we must always stand ready today to take care of spectacular news events greatly advancing our circulation.

"Any attempt to involuntarily control publisher's stocks would undo about everything that has been done in the last two or three years to improve relations between manufacturers and consumers.

Natural Accumulation

"I believe that the possibility of a price increase on Jan. 1, 1941, had nothing to do with the increase in publishers' stocks. One of the reasons was the effort of the A.N.P.A. to show publishers the value of ordering their annual requirements in equal monthly installments. The tabulation of publishers' stocks clearly illustrates this — publishers' stocks started to go up immediately with the decline in consumption because of the beginning of the summer slump and the end of the large circulation splurges due to the Battle of France."

The numerous factors mentioned clearly indicate the difficulty in setting any arbitrary level beyond which the newsprint marketing situation is in danger. There is no way of determining what is "normal." Advertising, circulation, and all the factors bearing upon these two items must be given due consideration. Then there is the matter of supply. For example, at the time of writing New York City is threatened with a truckmen's strike and every inch of space in every newspaper office is filled with newsprint, which means that the stocks of these particular publishers are higher than usual or normal for them. On the Pacific Coast at times very large stocks have been accumulated because of the threat of shipping troubles.

There is one conclusion indicated by a survey of the publishers' stocks, namely, that any kind of "normal" now would necessarily be greater than in times of peace, particularly when transportation systems in both Canada and the United States have greater traffic due to war and national defense plans.

Quebec to Have 75,000 Bushmen

From Our Own Correspondent

MONTREAL.—Present indications are that woods operations in Quebec this winter will provide employment for about 75,000 men, while the cut will range between 450 million to 500 million cu. ft.

Last year 50,000 men were employed and the cut totalled 295 million cu. ft.

Scandinavian Paper Supply Uncertain

MONTREAL. — Finland was the only Scandinavian country to export newsprint paper to the United States during August, according to the U. S. Department of Commerce returns. During the month, imports from that country totalled 2,291 tons. While this is a somewhat better showing than in July, it was considerably less than in Aug., 1939, when imports from Europe amounted to 31,237 tons.

Nazis Planning Pulp Cartel

Rigid Control Proposed With Central Office in Berlin

From Our Own Correspondent

MONTREAL.—Rigid control of all major phases of operations in the European wood pulp industry is contemplated by the wood pulp cartel, according to reports from the office of the American Commercial Attaché, Stockholm, received by the U. S. Department of Commerce.

Final details are not available but it is contemplated that there will be rigid control of production. Exports to each country from every mill will be on a quota basis, with prices fixed by a committee of representatives of each exporting country. Determination of prices to each export market for every type of pulp will be by vote. The number of votes to which exporting country is entitled will be decided on every type of pulp for each export market by the tonnage of past exports.

On the basis of exports to the United States from 1929 to 1939 inclusive, Sweden will have approximately the following percentage of votes on the types of pulp indicated: unbleached sulphite, 64.3%; bleached sulphite, 31%; unbleached sulphate, 80% and bleached sulphate, 83.9%.

Germany and Norway and all others, except Finland, hold 54% of the votes on bleached sulphite.

Reports are that the cartel headquarters will be at Berlin.

Canada Gets Most U. S. Pulp Trade

Exports Well Ahead of Finland's, Only Other Supply Source

From Our Own Correspondent

MONTREAL.—All wood pulp imported into the United States during August originated in Canada and Finland, according to report issued by the U. S. Department of Commerce.

In all the United States imported 83,640 tons of wood pulp during the month, with a value of $5,599,436.

Canada's proportion of this trade amounted to 53,267 tons, worth $4,414,929, as against 30,373 tons with a value of $784,507 from Finland.

Canada Takes the Lead

A breakdown of the wood pulp imports into the States for August by types and countries follows:

U. S. Woodpulp Imports August, 1940

	From Canada (tons)	From Finland (tons)
Groundwood	9,557	.....
Sulphite, unbl.	2,291	21,352
Sulphite, blch.	11,243	.....
Sulphite, other	18,575	1,857
Sulphate, unbl.	5,322	6,714
Sulphate, blch.	5,434	450
Soda pulp	845	.....
Total	53,267	30,373

Rolland Paper Co. Increases Dividend

From Our Own Correspondent

MONTREAL.—Reflecting a relatively substantial increase in earnings, Rolland Paper Co. has declared a dividend of 30 cents a share on the common stock, payable on Nov. 15 to shareholders of record Nov. 5. This brings dividend declarations to date up to 75 cents a share, three payments of 15 cents a share each having previously been made.

The current declaration would indicate a dividend at the rate of $1.20 annually as compared with 60 cents in 1939.

Crown Zellerbach Sets Record in Quarter

From Our Own Correspondent

MONTREAL.—Crown Zellerbach Corp. and subsidiaries in the three months ended July 31 show the largest quarterly earnings in the history of the company. Consolidated net profit for the period, the first quarter of the current company year, was $2.5 millions. This is after depreciation, depletion, interest, taxes and minority interest.

Earnings on the common stock amounted to 81 cents in the quarter, compared with 47 cents in the comparable quarter last year.

United States and Canadian income taxes and Canadian "excess" profit taxes increased to $1.3 millions from $404,348. No provision was made in regard to the United States "excess" profits tax, as legislation was still pending at the close of the period.

The company announces that sales for the three months established a high quarterly record of $16.7 millions. They were 30% above the $12.8 millions reported for the quarter ended July 31, 1939.

The GREAT LAKES PAPER COMPANY Limited

Manufacturers of HIGH-GRADE NEWSPRINT and SULPHITE PULP

A modern mill affording an annual capacity of 113,000 tons newsprint, also excess sulphite mill capacity sufficient to provide 15,000 tons annually of unbleached sulphite pulp for export.

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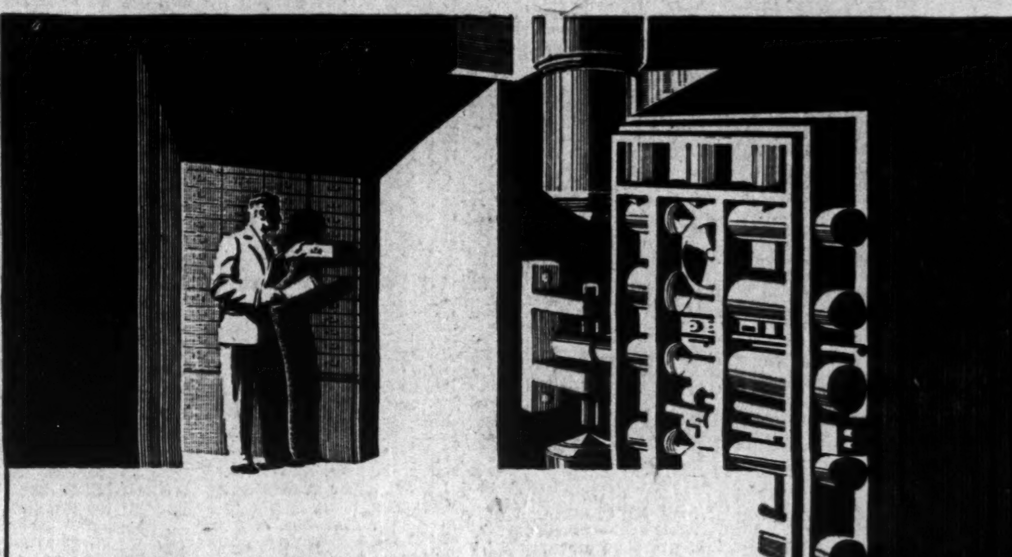


WORDS THAT MEAN MILLIONS

The leaders of finance and industry, whose plans are made in the interest of posterity, assure the permanence of their records by inscribing them on

SUPERFINE LINEN RECORD

"Canada's Finest All-Rag Bond."

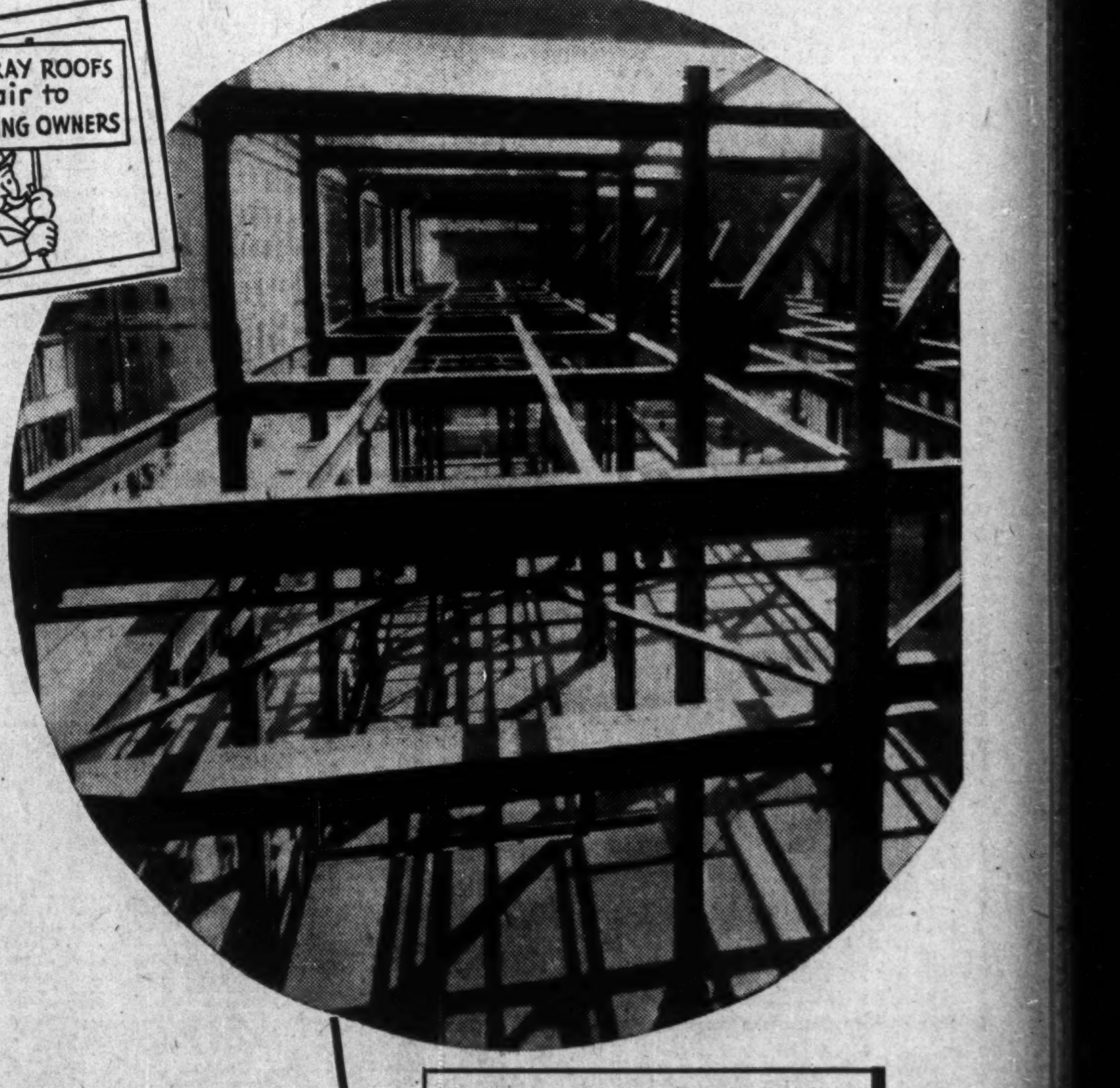
Made from clean, new rags, it is immune to the toll of years and the dry rot of vaults. It holds words inviolate and beyond dispute throughout the ages. It is the chosen stationery of large corporations . . . for letterheads, policies, deeds, contracts and other legal instruments, that may affect the fortunes of future generations.

Specify this superfine bond paper to your printer, lithographer or engraver.

ROLLAND PAPER CO. LIMITED
High Grade Paper Makers Since 1882
MONTREAL
Branch Office: TORONTO, ONT. Mills at ST. JEROME and MONT ROLLAND, QUE.

Murray Built-Up Pitch and Gravel Roof Fulfills Unusual Toronto Roofing Requirement

When general construction of the new Bank of Montreal building in Toronto was suspended, it was decided to close in and roof the lower floors. A temporary roof at the first floor level was essential, but the forest of steel superstructure rising through the area to be roofed made the job an extremely complicated one. Years of experience in planning and supervising the laying of roofs to meet all manner of extraordinary conditions qualified Alexander Murray & Company to supply materials and direct the application of a Built-Up Pitch and Gravel Roof to meet these unusual requirements. Today, protected by a Murray Built-Up Pitch and Gravel Roof, properly flashed at all potential trouble points, this "building within a building" is as adequately protected as though the building were completed.



FREE ROOF INSPECTION SERVICE

Let us send an inspector to appraise the condition of your roof and advise what action should be taken, if any, in the interests of long term economy. A written report will be submitted. There is no obligation.

Among prominent Canadian firms which have chosen Murray roofs are:
Canadian Celanese Limited
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American Can Company Limited
Jenkins Valve Company Limited
British American Oil Company Limited
Steel Company of Canada Limited
Grace Hospital, Winnipeg
Campbell's Soups Limited
Swift Canadian Company Limited
Northwestern Utilities Limited
Ontario Hospital, St. Thomas

Alexander MURRAY & Company LIMITED
MONTREAL TORONTO HALIFAX SAINT JOHN WINNIPEG VANCOUVER
Affiliated with Dominion Tar & Chemical Co. Limited—Canada Creosoting Company Limited—Fibre Conduits, Canada, Limited

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

THE WEEK'S QUOTATIONS

WEEK ENDING OCTOBER 7

Range 1940 High	Low	Div. Oct. 5 R'te $	Y'ld %	Company	Sales	Last Sept. 30	Week end. Oct. 7 H	L	Cl'se
				A					
2.50	.50	*	...	Abitibi	7015	.65	.85	.50	.70
27½	2¾	*	...	Do. pref. 6%	2865	3½	5½	3½	5
33	5½	*	...	Do. pref. 7%	25	10	9	9	9
6	3	*	...	Acme Glove	70	3	3	3	3
57	45	6.50	...	Do. pref.	....	(45 bid 50 asked)			
12½	9	80+20c	8	Agnew Surp.	135	10	12½	12	12
110	105	7	6.5	Do. pref.	....	(105 bid — asked)			
5.00	.75	*	...	Alta. Pac. Gr.	60	1.00	1.50	1.50	1.50
36	20	*	...	Do. pref.	....	(28 bid 29½ asked)			
16¾	7	*	...	Algoma Steel	90	11	11¾	11	11
100	81	$2.50	...	Do. pref.	....	(88 bid 92 asked)			
		$4.50		Aluminum	235	117	121	120	120
15¼	6	$50c	...	Foundation Co.	29	12	11½		
20	6	*	...	Fraser Cos.	260	9½	11		
21¾	7½	*	...	Do. Vot. Tr.	905	11	12¾		
.50	.50	*	...	Freiman	....	(.50 bid 1.0[illegible]			
38	32	*	...	Do. pref.	....	(32 bid —[illegible]			
16½	9	80c	7.1	Gatineau Pwr.	150	11½	11½		
97	79	5	5.6	Do. pref.	30	89½	90		
105½	90	5.50	6.1	Do. 5½% pref.	....	(91½ bid —[illegible]			
6	1½	*	...	Do. Rights	....	(1½ bid 2[illegible]			
10¾	4½	*	...	Gen. St. Wares	212	6½	6¾		
96½	77	7+57c	...	Do. pref.	20	89	90		
87	58	2.50+2.50	7	Goodyear T.	....	(72 bid —[illegible]			
57½	51	2.50	4.5	Do. pref.	37	53½	55		
*50	50	$3	...	Gould Pumps p.	....	(— bid [illegible]			
8	4	*	...	Gt. Lakes Pap.	....	(2½ bid [illegible]			
29	18½	$75c	...	Do. pref.	....	(— bid [illegible]			

Range 1940 High	Low	Div. R'te	Y'ld	Company	Sales	Last Sept. 30	H	L	Cl'se
5	1½	*	...	West. C. Flour					
47	21	*	...	Do. pref.	....	(28 bid 32 asked)			
62	40	3	6.6	West Grocers	22	45	45½	45½	45½
112	103	7	6.7	Do. pref.	5	108	105	105	105
*11	10½	50c	...	W'minster Pap.	....	(— bid — asked)			
15	9½	80c	6.5	Weston Ltd.	495	12½	12½	12½	12½
99	76	5	5.6	Do. pref.	....	(91 bid 94 asked)			
24¾	16	1	5.2	Wilsils	25	19½	19	19	19
2.63	.90	*	...	Winnipeg El. A.	....	1.00 bid 1.35 asked			
2.37	1.00	*	...	Do. (B)	....	1.00 bid 1.10 asked			
12	5	*	...	Do. pref.	65	7½	7½	6¾	7½
85	60	7	10	Wood, A. & J. p	....	(67 bid 90 asked)			
70	30	*	...	Woods Mfg., pf.	40	30	37¾	35	35
11	5½	30c	...	York Knitting	....	(5½ bid 7 asked)			
*100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
13	8½	*	...	Zellers	250	8½	9	9	9
25	21	1.50	6.5	Do. pref.	185	23	23½	23	23

Quotations: • 1939. * 1938.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1940. ■ Participating.
†Interim. §Paid or declared payable in 1940 to date.

Mining Stocks

Week Ending October 7

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 30 (or last)	High for week	Low for week	Close Oct. 7
			A					
No	.38	.10	Aldermac	3,000	.19	.19	.16	.16½
1	.06½	.01	Amm. Gold	......	(.01½ bid .01½ asked)			
No	3.00	1.30	Anglo-Huronian	1,140	1.85	2.00	1.80	2.00
No	.40	.30	Argus Interests	......	(.30 bid .50 asked)			
No	.03	.01	Arno	......	(.... bid .02½ asked)			
1	.17	.04	Arntfield	2,500	.04½	.05½	.05	.05½

Oil Stocks

Vancouver Stocks

Oil Quotations

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 30	High for week	Low for week	Close Oct. 7
No	.19½	.09½	Royal Canadian	4,000	[illegible]	[illegible]	[illegible]	[illegible]
No	.07½	.03	South End	......	(.03½ May 16)			
No	.60	.21	Southwest Pete	......	(.25 Sept. 11)			
1	.06	.02	Spooner	......	(.02 Sept. 7)			
25c.	.38	.15	Sunset Oil	3,000	.15	.15	.15	.15
No	.09	.03½	United	......	(.04½ bid .05 asked)			
No	.07	.03½	Vanalta	......	(.03 bid .... asked)			
1	.63	.23	Vulcan	......	(.28 bid .... asked)			
No	.05	.03	West Flank	......	(.05 May 11)			

* Quotations for 1939.

Winnipeg Stocks

(Transactions from Sept. 30 to Oct. 5)

	Sales	High for period	Low for period	Close Oct. 5
Argosy	1,000	.07¼	.07¼	.07¼
Beresford Lake	1,000	.01⅞	.01⅞	.01⅞
Crescent Creamery, pfd.	20	8.00	8.00	8.00
Sovereign Life	23	11.50	11.50	11.50
United Grain	35	7.50	7.50	7.50
Western Breweries	25	1.40	1.40	1.40
Willson Stationery	10	1.00	1.00	1.00
Do., pref.	10	55.00	55.00	55.00
Winnipeg River Tin	1,000	.00½	.00½	.00½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c.	..	4
Do., pref.	99	102
Can. Airways	1	..
Can. Indemnity	120	..
Dom. Envelope p.	90	..
Federal Grain, p.	35½	..
Do., com.	..	1¼
Monarch Life	33	..
Nor. C. Mtge., p.	5	..
North. Trusts	..	7
Traders Bldg.	39	..
West. Grain p.	7	..
West. Steel	8	8¼
Wings	.15	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Oct. 8	6,200	11,100	194,000	......
Oct. 7	3,300	5,800	204,000	13,275
Oct. 5	3,800	4,600	149,000	8,850
Oct. 4	6,500	13,000	217,000	15,610
Oct. 3	9,200	6,400	135,000	13,000
Oct. 2	8,900	7,400	146,000	7,703

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds Oct. 9, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99¾	100¼	.60
5	Nov. '41	103¾	104¼	1.19
1½	May '42	100¼	100¾	1.13
2	June '42	100¾	101¾	1.19
3	Oct. '42	102¾	103¼	1.38
2½	June '43	102	102½	1.54
5	Oct. '43	108½	109¼	1.86
2	June '44	100¾	101¼	1.69
a2½	Jan. '44	92¾	93¼‡	4.30
4½	Oct. '44	108¾	109¾	2.07
2½	Nov. '44	101¾	102¼	1.87
a2½	Aug. '45	91¾	93‡	4.10
4	Oct. '45	105¼	106	b1.96
4½	Feb. '46	109¼	110¼	2.44
3½	June '49	101¾	102¼	b2.77
3½	Oct. '49	102¼	103	b2.71
3½	Nov. '51	100	100¾	b3.14
3½	Feb. '52	100¼	100¾	b3.12
a5	May '52	98¼	100‡	b5.00
4	Oct. '52	104¾	105¼	b3.13
3	June '55	97¼	98¼	3.15
4½	Nov. '56	107	107¾	b3.09
4½	Nov. '57	107¼	108	b3.23
3	June '58	96¾	97½	3.18
4½	Nov. '58	108¼	109	b3.24
4½	Nov. '59	109	109¾	b3.26
a4	Oct. '60	93¾	95‡	4.38
a3½	Jan. '61	85¼	86¼‡	4.24
3½	June '66	99	100	3.25
a3e	Jan. '67	81¼	82¼‡	4.07
a3e	Nov. '68	81¼	82¼‡	4.03
†3	Perpet'l.	88¼	89¼	3.35
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railway:			
2	Feb. '43	100¼	101¼	1.46
2½	Jan. '46	99¼	100¼	2.20
3	May '44	103¼	104	1.84
3	Dec. '50	97¾	98¾	3.14
3	Feb. '53	97	98	3.20
3	Jan. '59	95¾	96¾	3.23
*4½	Sept. '51	111¾	112¾	3.12
*4½	Feb. '56	112¾	113¾	3.36

%	Due	Bid	Ask.	Approx. Yld.
4½	July '57	113	114	3.41
*4½	June '55	114¾	115¾	3.40
5	Feb. '54	115	116	3.50
*5	July '69	112	113	b2.61
*5	Oct. '69	116	117	b3.30
*5	Feb. '70	116	117	b3.32
	Grand Trunk Pacific Rly.:			
3	Jan. '62	97½	98½	3.10
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	83	85	4.77
3½	Aug. '49	87	89	4.78
3½	June '56	85	87	4.66
c4	Nov. '47	94	96	4.67
c4½	Apr. '61	96½	98	4.65
c5	Jan. '60	100¼	102½	4.80
	Nova Scotia:			
3	Jan. '52	91	93	3.75
3½	June '56	90	92	3.93
3½	Nov. '50	96½	98½	3.68
c4½	Sept. '52	104½	106½	b3.45
c4½	Nov. '60	104½	107	4.00
c5	Mar. '60	110	113	4.03
	Ontario:			
2½	May '45	99¼	100¼	2.44
3	Apr. '48	97¾	98¾	3.19
3	Nov. '50	97	98	3.24
3½	Nov. '51	98½	99½	3.30
3½	May '55	97½	98½	3.38
*4	June '62	104½	106½	3.57
4½	June '50	108¼	109¼	3.37
*4½	Jan. '62	111¼	113¼	3.59
5	Oct. '48	110¾	111¾	3.33
*5	Dec. '60	117	119	3.67
5½	July '46	110¾	111¾	3.24
	Ont. Hydro Commission:			
3	Aug. '48	97½	98½	3.21
3½	Feb. '53	98	99	3.35
3½	Apr. '47	100¾	101¾	3.20
	Prince Edward Island:			
3	Oct. '45	94½	96	3.87
	Quebec:			
3	Nov. '47	94	95	3.78
3½	Mar. '48	93	96	3.97

%	Due	Bid	Ask.	Approx. Yld.
3½	Mar. '54	91	92	4.0[illegible]
3½	Mar. '59	91½	93	4.04
4	Mar. '52	99	101	3.[illegible]
4½	Aug. '58	100½	102	4.[illegible]
4½	Jan. '63	103	105	4.1[illegible]
	Alberta:			
4	Dec. '54	53	57	d
4½	Oct. '51	60	..	d
c4½	Oct. '56	55	59	d
*5	Oct. '59	56½	60½	d
c5½	Apr. '52	62½	66½	d
6	Mar. '47	64½	68½	d
	British Columbia:			
c4	Dec. '57	97½	101½	3.[illegible]
*4½	Jan. '51	100	104	4.0[illegible]
c4½	Oct. '53	100	104	4.1[illegible]
c5	Apr. '54	103½	107½	4.2[illegible]
5½	Feb. '45	101	105	4.2[illegible]
6	Feb. '47	103½	107½	4.0[illegible]
	Manitoba:			
c4	Dec. '57	87½	91½	4.7[illegible]
c4½	Dec. '56	90	94	5.04
*5	Dec. '59	94	98	5.1[illegible]
5½	Oct. '55	97	101	5.4[illegible]
6	Apr. '47	99	103	5.4[illegible]
	Saskatchewan:			
4	Sept. '54	72	76	6.[illegible]
4	Nov. '60	71	75	6.[illegible]
c4½	Oct. '51	82½	86½	6.[illegible]
c4½	Mar. '60	74½	78½	6.45
5	Aug. '58	79	83	6.[illegible]
5½	Oct. '52	83	87	7.13
6	Mar. '52	88	92	7.0[illegible]

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 8, 1940

Industrials:	Bid	Ask.
Acme Farm. D.	20	25
Andian National	28½	30½
Anglo C. Tel., A	8½	9½
Atlas Steel	17	..
Barrymore, pfd.	28	..
Blue T. Brew. A	7½	..
B. C. Pulp, c.	18	19½
Do., pfd.	70	80
B. C. Sugar	75½	78
B. C. Tele. 1st p.	111	113
Burns & Co., A	5	6
Do., B	3	4
Can. Col. Air.	3	4
Can. Co-op. W'l	6½	8
Can. Cr. Stone p	22	..
C. I. L., A c.	230	..
Can. Ing. Rand.	71	74
Can. Tube, 1st p	68	72
Chase, A. W., p.	17	19
Claude Neon, p.	5	6¾
Colonial Steam.	17	18½
Dom. Manuf., p.	60	65
Dunlop T. p. $25	22¾	23½
Easy Wash p $10	8½	9¾
Goderich Elev.	7½	8½
Guard. Realty, p	15	18½
Guelph Carp., p.	97½	101
Do., com.	16½	19½
Gurney Fdry., p	1¾	1¾
Hayes Steel, c.	9½	10½
Hi'land Dairy, p	45	50
Homewood San.	100	120
Inglis, John, c.	4½	7
Ingram & Bell	21½	25
Kingston Sh. un	22½	24½
Loblaw Inc., c.	12½	13
Minn. Ont. P., c.	4	4½
Morrison Br. un.	5	6
M'row Screw, p.	99	..
Do., com.	10	..
Neilson, Wm., c.	10	..
Do., pfd.	101	..
N. B. Tel., c.	13½	15
N. Meth. Ldy., p	52	57
Niag. L. A. Br.	52½	..
Ont. Tobacco, p.	14	..
Paterson Wm., p	101½	..
Prov. Paper, pfd	101½	103
Ruddy, E. L., p.	24½	27½
Seal O Sac (Can.)	1	2
Stand. Fuel., p.	56	62
Stedman pf. $50	55½	58
Tor. Carpet, c.	28	32
Do., pfd.	58	64
Un. F. Co-op.	2	3
Un. Steel, A pf.	23	24½
Viceroy p. & rts	25	..
Trusts & Loan Stocks:		
Brit. Mtge.	125	..
Capital Tr.	26	29
Com. Fin., c.	2½	3
Grey & B. Tr $50	42	45
Guaranty Trust	98	101
Guelph & C. $50	52	55
Lambton Loan	29	32
London & West.	34	40
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	10	11
Do., A pfd.	79	82
Trusts & Guar.	23	25
Victoria Trust	70	80
Insurance Stocks:		
Brit. Amer.	52	57
Canada Fire	77	..
Canada Life	400	425
Confed. 30% pd.	130	140
Crown fully pd.	235	270
Dominion Fire	130	..
D. of Can. Gen.	100	112
Empire 25% pd.	5	6
Excelsior 36% pd	57	62
Federal 25% pd.	50	54
Great-West Life	205	220
Imperial Life	280	300
Manufac. Life	220	240
Sov. L., 25% pd	12½	15
Sun Life	360	390
Tor. General	5	5½
Wellington Fire	58	..
Western Assce.	40	43
Theatre Stocks:		
Allens, King. p.	61	65
Do., London, p	52	56
Do. St. Cath. p	50	54
Do., Tor., p.	31	35
Mansf. Theat., p	26	30
Para., Kitch., p.	50	55
Do., Oshawa c	9½	11
Investment Trust Shares:		
Can. Investors	5	6
Deb. & Sec., pf.	62	..
Sec's. Hold., pf.	19	22
United Corp., A	17½	..
Do., B	5	6
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	100	103
Gt. Lakes Pr., p.	99	103
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	78	87

Unlisted Mines

Toronto, Oct. 8, 1940

	Bid	Ask
Acordia	.25	.27
Addington	.01	.02
Albany R	.12	.14
Albany n	.29	.33
Amal Kir	.05	.06
Anoki	.06½	.07½
Arjon	.02	.02½
Armistice	.01½	.02½
Argosy	.06	.06¾
Area	.03	.03¾
Arno	..	.01½
Athona (Old)	.01	.02
(New)	.02	.03
Barb Lar	.01¾	.02½
Brock	.19½	.21
Bilmac	.00¾	.01½
Bonetal	.36	.38
Buff Bear	.01	.02
Calder Bo	.02	.05
Central M	.02	.02½
Cheminis	.02½	.03½
Coin Lake	.02½	.04
Cons Chib	.04	.06
Crescent	.00¾	.01½
Dayton	.01½	.02½
Demp Cad	.00½	.01
Desants n	.10½	.12
Dona Pat	.02	.03
E Lacoma	.00½	.01
Franco	.27	.30
Elmos	.04½	.06
Galore	.01½	.02½
Gate Pat	.00½	.01
Gilbec	.00½	.01
Gordon Lb	.01	.02
Hiawatha	.04½	.07
Hoyle nw	.25	.26
Hugh PaP	.06½	.07
Hutch Lke	.01½	.02
Jolliette	.01	.02
Keora	.01	.02
Kenricia	.01½	.02½
Kewaga'a	..	.02
Kiena	.07	.09
Kirk Gate	.01	.02
Lacoma	.00¾	.01½
Lake Duf	.20	.22
Lake Gen	.05	.08
Lw Pete	.15	.20
Magnet C	.84	.87
Magnet L	.17	..
McGregor	.03	.04
Magwell	..	.03
Martin Br	.02½	.03½
Monarch	.01½	.01¾
Margaret	..	.03
Mata Cana	.05	.06
Mof Hal n	.01½	.02½
Mooshla	.01½	.02½
Mosher	.09	.10
Nat Mal	.40	.43
Negus	.65	.75
New Roy	.00½	.01
Nickel O	.75	.95
Norbeau	.14	.19
Norlake	.01	.02
North Am Moly'm	..	.17
Norwin	.04	.07
Oklend	.08	.10
O'Leary	.01¾	.02½
Opemiska	.03	.05
Oriole	.01	.01½
Orpit	.01	.02
Ossian	.01	.02
Pacsack	..	.06
Pascalis	.25	.30
Phoenix	.02	.03
Pontiac R (Old)	.02	.04
Pelangio	.01¾	.02½
Polaris	.19	.21
Propri'y	2.00	2.20
Presdor	.03	.03¾
Queb Mn	.05½	.07
Rahn Lke	.02	.03
Rand Mal	.08	.09
Red Lake	.02½	.04
Sachigo	2.00	..
Senore	.06	.08
Shenango	.01½	.02½
Sheldon	.03½	.05
Siscoe Ex	.01½	.02½
Skynner	.03½	.04½
Smelters	..	.01
Spooner	.03½	.05
Sunbeam	.03	.04
Springer	.03½	.04½
Stadacona	.06½	.07
Thomson	.09	.11
Thomp Cd	.02	.04
Treaty P	..	.23
Union Min	.03	.04
Wasu	.03	.06
West Red	.02½	..
Winoga cum rts	.02½	..
Woco	.03	.05
Y David'n	.23	.25

Montreal, October 8, 1940

	Bid	Ask
Cad Exp	.02	.04
Chibmac	..	.02
C Pand'ra	.01	.02
Cournor	.17½	.20
Dubisson	.08	.12
L Rowan	.03	.05
Obalski	..	.03
Pan Can	.06	.07
Scott Ch	.02	.03
Westwd C	.01	.02

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Oct. 8, 1940

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 8	Asked Oct. 8	Bid Oct. 1
†Assoc. Tel. & T.	5½	'55	77½	80½	75½
B. C. Power	4½	'60	99	...	98½
B. C. Tel.	4½	'61	103	...	103
†Calgary Pwr.	5	'60	105	...	105
Do.	5	'64	102	...	102
†Can. Nor. Pwr.	5	'53	104	107	104
*Dom. Gas & El.	6½	'45	101½	...	101½
Gatineau Pwr.	5	'49	102	105	102
Do., A	3¾	'69	96½	99½	96
Gt. Lakes Pwr.	4½	'56	97	...	96½
*Int. Hydro-E.	6	'44	75½	78½	73
▲Inter. Power	6	'55	100	...	100
Macl'n-Que. Pr.	4	'59	96½	99½	96
Mtl. L. H. & P.	3½	'56	98½	101½	98
Do.	3½	'73	95½	98½	95
†Mtl. Tramways	5	'41	90	93	89
†Do.	5	'55	63½	66½	63
Nat. Lt. & Pwr.	6	'49	98½	...	98
N. S. Lt. Pr.	4	'57	99	...	99
Ottawa H. & P.	4	'57	99	...	99
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4½	'59	98½	101½	98
Quebec Pwr.	4	'62	101	104	100½
*Saguenay P., A.	4½	'66	104	...	104
▲Do., B.	4½	'66	103	...	103
Shaw. W. & P.	4	'61	101½	104½	101
Union Gas	4½	'50	101½	...	101½
†United Secs.	5½	'52	60½	63½	60½
Wpg. El., ser. A	4	'65	73	76	73
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	67½	70½	62
Acadia Sugar	4½	'55	98½	...	98
†Alta. Pa. Grain	6	'46	97	...	96
Atlantic Sugar	4	'51	98½	...	98
†B. C. P. & Pap.	6	'50	95	...	90
*Brown Co.	5½	'46	54½	57½	53
Burns & Co.	5	'58	63	66	61
Canada Bread	6	'41	101½	...	101½
Canada Cement	4½	'51	103	...	102½
Can. Paper	4½	'52	97½	...	97½
Can. Steamship	5	'57	96½	99½	96
Can. Canners	4	'51	100	...	100
*Can. Int. Paper	6	'49	101½	...	101½
†Candn. Vickers	6	'47	54	58	49
C. P. R.	3½	'51	89	92	88
Do.	4	'49	93	96	92½
Do.	4½	'44	97	100	97
Do.	6	'42	102½	105½	102½
†Consol. Paper	5½	'61	67	70	65
Dom. Coal	4½	'52	100	...	100
Dom. Stl. & Co.	6½	'55	106	...	106
Dom. Tar	4½	'51	100½	...	100½
†Donnacona P.	4½	'56	81	84	81
Famous Players	4½	'51	99	...	99
†Federal Grain	6	'49	97	...	96
†Fraser Cos.	6	'50	98½	...	97½
Gen. Stl. Wares	4½	'52	98	...	97½
*Great L. Paper	5	'55	93	96	91
†Gypsum, Lime	5½	'48	96	...	94
Ham. By-Pr. C.	5	'55	100½	...	100
Inter.-City Bak.	5½	'48	100	...	100
*Inter. P., Nfld	4½	'68	88	...	88
Lake St. J. P.	5½	'61	90½	93½	89½
†Maple Leaf M.	3	'58	73	76	72
Massey-Harris	4½	'54	91½	94½	89
McColl-Fron.	4½	'49	102½	...	102
McCormick's	4	'52	95	98	95
*M. & O. Paper	6	'45	47½	50½	48½
Nat. Grocers	4	'47	100	...	100
N. S. Stl. & Co.	[illegible]	'63	82	85	82
Price Bros.	5	'57	97½	100½	97
*Prov. Paper	5½	'47	103	...	103
Reliance Grain	4½	'52	94	...	94
▲Restigouche Co.	6	'48	97½	...	97
Rolland Paper	4½	'51	102½	...	102½
Simpson's Ltd.	4½	'51	101	104	101½
Smith, Howard	4½	'51	102½	...	102½
*United Gas	5½	'48	102½	...	102½
United Gr. Grs.	5	'48	94	...	93
†Western Grain	6	'49	52	55	54

*Payable in Canada, or U. S.
†Payable in Can., U. S., or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.
▲Payable in Canada only.

Municipal Bonds

Oct. 8, 1940

†Halifax	5	1961	105.00	108.00	4.41
Hamilton	5	1950	110.15	112.15	3.50
Montreal	5	1945	93.00	97.00	5.78
Ottawa	4½	1945	104.15	106.15	3.10
†Quebec	5	1959	103.00	107.00	4.45
Saint John	5	1950	102.00	105.00	4.39
†Toronto	4½	1955	107.50	110.00	3.61
†Vancouver	5	1950	99.00	102.00	4.73
Winnipeg	5	1944	100.00	103.00	4.05

†Payable Can. and N.Y.

Mining Dividends

	Rate	Close Oct. 7	Yield %
Beattie Gold	‡12c	.91	..
Bralorne	80c+40c	10.25	*11.7
Broulan Porc.	3c	.70	..
Buffalo Ankerite	‡31c	4.75	..
Bulolo Gold	$3	15.00	20
Can. Malartic	‡6c	.45	..
Cariboo Gold	16c+6c	2.10	*10.4
Central Patricia	16c+7c	1.95	*11.8
Coniagas	‡25c	1.25	..
Coniaurum	16c	1.35	11.8
Cons. Smelters	$1+$1	40.00	*5
Delnite	‡6c	.68	..
Dome Mines	$2	23.50	8.5
East Malartic	‡20c	3.35	..
God's Lake	2½c	.36	..
Gold Belt	†2c	.22	..
Gunnar Gold	‡3c	.39	..
Hallnor	60c	5.00	12
Hard Rock	‡9c	.95	..
Hedley Mascot	‡6c	.48	..
Hollinger	65c+45c	13.00	*8.4
Howey Gold	‡2c	.26	..
Hudson Bay	$1.75	26.00	▲6.7
Inter. Nickel. com.	$2	38.75	5.2
Island Mountain	‡8c	.85	..
Kerr Addison	‡10c	2.85	..
Kerr Lake	‡5c	.30	..
Kirkland Lake	10c+2c	.95	*12.6
Kootenay Belle	‡12c	.30	..
Lamaque Gold	40c+10c	5.25	*9.5
Lake Shore	$2	21.50	9.3
Leitch	8c	.50	16
Little Long Lac	30c	2.25	13.3
Macassa	32c	3.60	8.8
Madsen R. Lake	†3c	.46	..
McGillivray Coal	3c	.25	..
McKenzie Red L.	12c+2c	1.06	*13.2
McWatters	10c	.30	..
Moneta	12c	.58	..
McIntyre Porc.	$2.05½+1■	52.00	*3.8
MacLeod-Cockshutt	†10c	2.55	..
Nipissing	15c	1.00	..
Noranda	$4	58.00	6.9
North Empire	‡40c	7.25	..
O'Brien Gold	‡10c	.91	..
Pamour Porc.	12c	1.28	9.4
Pato Cons.	20c	2.20	..
Paymaster	2c	.28½	..
Perron Gold	16c+4c	1.73	*11.6
Pioneer, B. C.	40c	2.10	19
Pickle Crow	40c	3.15	12.7
Placer Develop.	$1.20	9.00	13.3
Premier	12c	.95	12.6
Preston E. Dome	20c	2.05	..
Privateer Mine	‡13c	.50	..
Powell Rouyn	20c	1.04	..
Quebec Gold	‡2c	.29	..
Relief Arlington	†5c	.03	..
San Antonio	14c+3c	2.33	*7.3
Sheep Creek	16c+3c	.95	*20
Sherritt Gordon	†5c	.72	..
Sigma Mines	‡45c	6.60	..
Silbak Premier	16c	.55	29
Siscoe	12c	.57	21
Sturgeon River	†2c	.14½	..
Sudbury Basin	2½c	1.15	..
Sullivan Cons.	‡9c	.68	..
Surf Inlet	†1½c	.09	..
Sylvanite Gold	20c+5c	2.45	*10.2
Teck-Hughes	40c+5c	3.25	*13.8
Toburn	8c+8c	1.35	*11.8
Upper Canada	†3c	1.08	..
Ventures	15c	2.45	..
Waite Amulet	†10c	3.70	..
Wright-Harg.	40c+30c	6.25	*11.2

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.
■An extra dividend of $1.11 declared payable Jan. 2, 1941.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.66	2.91
Can. Amer. Trust	3.00	3.50
Can. Inv. Fund	3.55	3.95
All Can. Trustee	10.45	11.15
Grouped Income	....	3.45
Trans-Canada Shs.	11.05	12.05

Foreign Exchange

During the week Oct. 1 to Oct. 7 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Oct. 7

Australia	3.58	N. Zealand	3.61
India	.3389	S. Africa	4.47
Japan	.2605	Hong Kong	.2[illegible]

Annual Meetings

1940	Company	Place
Oct. 16	Humberstone Shoe	Toronto
Oct. 17	Fairchild Aircraft	Montreal
Nov. 27	Imperial Bank	Toronto

Dividends Declared

	This payment	Date payable	Date of record
Ajax Oil & G.	1½c	Oct. 31	Oct. 5
Ang. Can. Tele., p.	68¾c	Nov. 1	Oct. 15
Ault & Wiborg, p.	$1.37½	Nov. 1	Oct. 15
Beatty Bros., 1st p.	$1.50	Nov. 1	Oct. 15
Biltmore Hats	15c	Oct. 15	Sept. 30
Bralorne Mines	20c	Oct. 15	Sept. 30
Do., extra	10c	Oct. 15	Sept. 30
Brant. Cordage, p.	32½c	Oct. 15	Sept. 20
Bell Telephone	$2	Oct. 15	Sept. 23
B. C. Power, A	50c	Oct. 15	Sept. 30
B. C. Tele., 2nd p.	$1.50	Nov. 1	Oct. 17
Bathurst Pr., A	25c	Nov. 1	Oct. 17
Can. Machinery, pf.	$3.50	Oct. 21	Oct. 1
Can. Nor Power	▪23c	Oct. 25	Sept. 30
Do., pref.	▪$1.75	Oct. 15	Sept. 30
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Canada Iron	$1.50	Nov. 1	Oct. 15
Do., pref.	$3	Nov. 1	Oct. 15
Do., pref.	$3	Nov. 1	Oct. 15
Can. Fairbanks, pf	$1.50	Oct. 15	Sept. 30
Can. Inv. Fd. sp. ord.	4c	Nov. 1	Oct. 15
Celanese of Amer.	†25c	Oct. 15	Sept. 17
Do., stock div.	*	Dec. 10	Oct. 11
Do., prior pf.	†$1.75	Jan. 1 '41	Dec. 17
Do., part. pfd.	†$3.50	Dec. 31	Dec. 17
Can. For. Invest.	70c	Nov. 1	Oct. 15
Candn. Ind., A, B.	$1.75	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 21
Do., pref.	$1.25	Nov. 1	Oct. 21
Comm. Alcohols, p.	10c	Oct. 15	Sept. 30
Cochenour W.	3c	Nov. 15	Oct. 31
Canadian Oil, c.	12½c	Nov. 15	Nov. 1
Do., extra	12½c	Nov. 15	Nov. 1
Can. Converters	50c	Nov. 15	Oct. 31
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Calgary Power, p.	$1.50	Nov. 1	Oct. 15
Coast Brew.	3c	Nov. 1	Oct. 8
Can. Gen. Inv.	12½c	Oct. 15	Sept. 30
Delnite Mines	3c	Oct. 30	Oct. 12
Distil.-Seag., p.	†$1.25	Nov. 1	Oct. 15
Dominion Bank	$2.50	Nov. 1	Oct. 19
Dominion Tar pfd.	$1.37½	Nov. 1	Oct. 14
Dom. Textile, pref.	$1.75	Oct. 15	Sept. 30
Dome Mines	50c	Oct. 21	Sept. 30
Dom. Oilcloth	30c	Oct. 31	Oct. 15
Do., extra	▪10c	Oct. 31	Oct. 15
Electrolux	25c	Nov. 15	Oct. 17
Foundation Co.	25c	Oct. 18	Sept. 30
General Trust, p.	$1.25	Oct. 15	Sept. 21
Gt. West. Sadd., p.	75c	Oct. 30	Oct. 17
Guar. of N. Amer.	$1.50	Oct. 15	Sept. 30
Do., extra	$2.50▪	Oct. 15	Sept. 30
Gt. L. Power, pf.	$1.75	Oct. 15	Sept. 30
Guaranty Trust	$1.25	Oct. 15	Sept. 30
Guysborough Mines	▪2½c	Oct. 21	Oct. 10
Hallnor Mines	15c	Dec. 2	Nov. 15
Int. Metal, p. & A pf.	$1.50	Nov. 1	Oct. 15
Do., arrears	$6	Nov. 1	Oct. 15
Inter. Util. pfd.	‡†87½c	Nov. 1	Oct. 22
Invest. Found., p.	75c	Oct. 15	Sept. 30
Do., arrears	°25c	Oct. 15	Sept. 30
Inter Nickel, pf.	†$1.75	Nov. 1	Oct. 2
Imperial Bank	$2.50	Nov. 1	Sept. 30
Inter. Milling, p.	†$1.25	Oct. 15	Sept. 28
Inter. Bronze	37½	Nov. 15	Oct. 31
Do., pref.	37½	Oct. 15	Oct. 14
Kerr Addison Gold	5c	Oct. 15	Sept. 28
Kirkland L. Gold	5c	Nov. 1	Sept. 30
Do. extra	1c	Nov. 1	Sept. 30
Kootenay Belle	2c	Oct. 22	Oct. 15
Loblaw Inc.	20c	Nov. 30	Nov. 15
Maritime Tel.	17½c	Oct. 15	Sept. 20
Do., pref.	17½c	Oct. 15	Sept. 20
McColl-Fron. pf.	$1.50	Oct. 15	Sept. 30
McIntyre Porc.	55½	Dec. 2	Nov. 1
Do., extra	$1.11	Jan. 2, '41	Nov. 1
Maple L. Gard., p.	70c	Oct. 15	Oct. 1
Moneta Porc.	3c	Oct. 15	Sept. 30
Mtl. L. H. & Pwr.	37c	Oct. 31	Sept. 30
Montreal Tele.	•55c	Oct. 15	Sept. 30
Montreal Trams.	$1.50	Oct. 15	Oct. 3
N. S. Trust	$3.50	Oct. 15	Sept. 30
Nor. Ont. Pwr.	▪30c	Oct. 25	Sept. 30
Do., pref.	▪$1.50	Oct. 25	Sept. 30
Nat. Steel Car	50c	Oct. 15	Sept. 30
Nat. Biscuit	†40c	Oct. 15	Sept. 10
N. B. Telephone	12½c	Oct. 15	Sept. 30
Orange Crush, p.	35c	Nov. 1	Oct. 15
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Preston E. Dome	5c	Oct. 15	Sept. 30
Power Corp., p.	$1.50	Oct. 15	Sept. 30
Do., 2nd pref.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 16
Pamour Porc.	6c	Dec. 2	Nov. 15
Rolland Paper	30c	Nov. 15	Nov. 5
Do., pref.	$1.50	Dec. 2	Nov. 15
Regent Knit., pfd.	80c	Nov. 1	Oct. 15
Silbak Prem.	4c	Oct. 25	Oct. 5
Sullivan Cons.	3c	Nov. 1	Oct. 5
Smith H. Pap. pf.	$1.50	Oct. 15	Sept. 30
Simpson, Robt., p.	$3	Nov. 1	Oct. 17
San Antonio G.	7c	Nov. 5	Oct. 21
Do., extra	3c	Nov. 5	Oct. 21
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 15
So. Amer. Gold	†10c	Nov. 20	Nov. 7
South. Can. Pr., p.	$1.50	Oct. 15	Sept. 20
South. Can. Pr., c.	20c	Nov. 15	Oct. 31
Sheep Creek G.	4c	Oct. 15	Sept. 30
Do., extra	1c	Oct. 15	Sept. 30
Simpsons, pref.	$1.62½	Nov. 1	Oct. 17
St. Law. Corp., A p.	20c	Oct. 15	Sept. 30
Sigma Mines	15c	Oct. 15	Sept. 30
St. Law. Flour	25c	Nov. 1	Oct. 19
Do., pref.	$1.75	Nov. 1	Oct. 19
Steel of Canada	43¾c	Nov. 1	Oct. 7
Do., pref.	43¾c	Nov. 1	Oct. 7
Sundance Rylts.	1c	Oct. 31	Oct. 20
Toburn Gold	2c	Nov. 22	Oct. 22
Do., extra	2c	Nov. 22	Oct. 22
Tuckett Tob., pf.	$1.75	Oct. 15	Sept. 30
Traders Bldg.	$1	Sept. 30	Sept. 25
Union Gas	20c	Dec. 14	Nov. 20
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref	$1.75	Oct. 15	Sept. 20
Willson Stat., pf.	$1.25	Oct. 15	Sept. 30
Weston, Geo., pf.	$1.25	Nov. 1	Oct. 15
Wood, A. & J. pf.	$1.75	Nov. 1	Oct. 15
Zellers, pref.	37½c	Nov. 1	Oct. 15

†Payable in U. S. funds.
▪Subject to approval by Foreign Exchange Control Board.
*One share for each 30 common shares held.
°Final payment on arrears.
•Net payment after deducting corp. inc. tax
‡Subject to approval of Securities and Exchange Commission and payable out of capital surplus.

DIVIDEND NOTICES

The Steel Company of Canada Limited

PREFERENCE DIVIDEND NO. 117

Notice is hereby given that a dividend of forty-three and three-quarters cents (43¾c) per share on the Preference Shares of the Company has been declared for the quarter ending September 30, 1940, payable November 1, 1940, to shareholders of record at the close of business October 7, 1940.

By Order of the Board,
H. S. ALEXANDER, Secretary.
Hamilton, Canada, September 30, 1940.

The Steel Company of Canada Limited

ORDINARY DIVIDEND NO. 95

Notice is hereby given that a dividend of forty-three and three-quarters cents (43¾c) per share on the Ordinary Shares of the Company has been declared for the quarter ending September 30, 1940, payable November 1, 1940, to shareholders of record at the close of business October 7, 1940.

By Order of the Board,
H. S. ALEXANDER, Secretary.
Hamilton, Canada, September 30, 1940.

ORANGE CRUSH LIMITED

Dividend Notice

Notice is hereby given that a dividend of thirty-five cents (35c) per share on the outstanding no par value preference shares of the Company has been declared, payable November 1, 1940, to shareholders of record at the close of business October 15, 1940.

By Order of the Board.
R. G. McMULLEN, Secretary.
Toronto, Ontario, October 2, 1940.

PREMIER TRUST
BOUGHT AND SOLD
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

New Move For Abitibi Interest Payment Made

Noranda Mines Seeks Immediate $7 Millions Payment and Sale Postponement — Hepburn Discusses Bond Position

First definite request for a cash distribution to the holders of Abitibi Power & Paper Co. defaulted first mortgage bonds comes from Noranda Mines Ltd., holder of $50,000 of the bonds which have not been deposited with the bondholders' protective committee.

Noranda seeks a court order requiring G. T. Clarkson, receiver and manager, to comply with the following:

1. Pay a minimum of $7 millions to the Montreal Trust Co. as trustee for bondholders. This sum would be distributed among bondholders and is said to be available from profits earned during the receivership. This $7 millions would be equivalent to about 14½% on the bond principal.

2. Make regular semi-annual payments from profits available as interest, or principal, payment on bonds.

3. Noranda also seeks postponement of the sale of Abitibi properties scheduled for Oct. 16 and continuation of the receivership.

Would Divide Assets

In event the Ontario Supreme Court does not see fit to grant the orders requested, and as outlined above, Noranda alternatively asks that:

1. There be excepted from the pending sale working capital now in the hands of the receiver which is in excess of the amount which the court deems necessary for the operation of the company and the common shares of Provincial Paper Co.

2. That these assets, and any others which the court may decide should be sold separately, be set aside and sold, with the proceeds distributed to bondholders.

In an affidavit supporting the request for court action as outlined, John R. Bradfield, secretary of Noranda, points out that arrears of interest on the $48.3 millions of Abitibi bonds was approximately $24.9 millions at Oct. 1, making the total amount due bondholders approximately $73 millions. He refers to the bondholders' deposit agreement of June 10, 1932, and to the bondholders' "plans of procedure" of March, 1939, under which the spending sale is to take place. He states that he is "informed and believes the said committee" now represents "approximately 85% of the said outstanding bonds."

Working Capital High

Net earnings available for depreciation and bond interest have totalled $21.8 millions from the inception of the receivership to the end of August this year.

The receiver now has current assets totalling $17.2 millions. Current liabilities, including a contingent reserve of $750,000, totalled $1.5 million at the same date, leaving net working capital at $15.7 millions.

"The difference between this figure and the net profits available for depreciation and bond interest, namely $6.1 millions, during the period of receivership as given above is accounted for in the receiver's reports by expenditures on capital improvements and additions to the properties, completion of the purchase of Thunder Bay Paper Co., etc."

Mr. Bradfield refers to the receiver's statement in 1937 that Abitibi should be able to operate "comfortably" with $9 millions of working capital. This leaves more than the $7 millions available which Noranda requests as a payment to bondholders.

Moreover, present earnings are said to be at the annual rate of $10 millions, giving $800,000 of profits each month to add to working capital.

Outside Bids Unlikely

Mr. Bradfield emphasizes that Noranda is anxious to realize as much as possible from its investment in Abitibi bonds. He gives the following reasons why it is unlikely that any group other than the bondholders will be able to make a successful bid for the Abitibi assets:

1. No bid or tender is possible from Great Britain because of the restrictions on foreign exchange operating against sending the capital out of the country;

2. No bid is likely from United States interests because of the existence of a state of war affecting Canada and the uncertainty in the minds of United States investors as to the future of this country and also with regard to wartime restrictions and taxations affecting the operations of the enterprise;

3. The bondholders under the terms of the said indenture of mortgage are entitled to demand payment of the principal and interest thereof in United States funds and by reason of the foreign exchange control order and the regulations made thereunder restricting the export of capital the proceeds of such sale could not be distributed to bondholders in United States funds.

Could Realize More

Mr. Bradfield suggests that, because of the bondholders' interest in obtaining the properties at the lowest possible figure, a sale at this time could realize less for non-depositing bondholders than a distribution now of $7 millions and continuation of the receivership. He estimates the various amounts which would be available for distribution to non-depositors based on an estimated deposit of 85% of outstanding bonds as follows:

Sale Price	Proportion to non-assenting Bondholders—15%
$30,000,000	$4,500,000
40,000,000	6,000,000
50,000,000	7,500,000

Letters published in The Financial Post from Col. George Drew, Opposition leader in Ontario, concerning the Ontario Government's position on the Abitibi case have drawn a reply from Premier Hepburn.

Col. Drew had challenged Ontario to exercise the control which he maintained Ontario could readily do and which power had been demonstrated by the 1937 order-in-council covering Abitibi limits and water powers.

Bond Position Strong

Mr. Hepburn points out that the Government had opposed the sale order through its representatives at the court hearing. But the court ordered the sale held and the Premier stated that "no one can challenge the legal position of the bondholders."

The Government, he says, thus had only to cancel timber limits to stop the sale, he said, "but by so doing we would throw men out of work, create ghost towns, and such action would defeat its own purpose at a time when the sale is pending."

Col. Drew counters with the statement that Ontario has found ways and means to compel newsprint companies to prorate under the Forest Resources Regulation Act. This has been done without forcing the mills to shut. Col. Drew maintains that Abitibi has been the chief beneficiary of the province's prorating policy and that it is through their policy that Abitibi has been able to build up its large working capital.

Management Rumors

Close approach of the date for the attempted sale of Abitibi has given renewed rise to speculation as to the company's future position. It is asked, for example: "Who is going to run Abitibi?" Those posing this question seem to doubt that the long receivership has resulted in building up an efficient and aggressive organization that could take over if court supervision were removed.

Speculation goes farther to suggest that a close working agreement, perhaps even an eventual merger, between Abitibi, Price Bros. and Mersey Paper may be seen. This would obviously create the most powerful newsprint group in Canada and one that would come close to dominating the entire industry.

Associated Companies

There has, of course, been no confirmation of any such merger. It seems based solely on the close association of H. J. Symington, K.C., who is chairman of the bondholders' protective committee for Abitibi, with Price Bros. and Mersey Paper. Mr. Symington, who is now acting as Power Controller for Canada, is chairman of Price Bros. while Col. C. H. L. Jones is president of both Price Bros. and Mersey. Royal Securities, Corp., of which Mr. Symington is a vice-president, has been interested in the financing of both companies.

Price Bros. has a capacity of about 375,000 tons of newsprint annually while Mersey can produce about 100,000 tons. The Abitibi mills have a productive capacity of about 590,000 tons of newsprint annually. This would give any such merger control of 1,065,000 tons of newsprint annually, which would compare with an actual newsprint production of 2,869,000 tons by all Canadian mills in 1939.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 215

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1940, and that the same will be payable at the Bank and its Branches on and after Friday, 1st November next, to shareholders of record at the close of business on the 30th September, 1940. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT, General Manager.
Toronto, 12th September, 1940.

The Dominion Bank

Dividend No. 233

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the Quarter ending 31st October, 1940, making of total distribution of ten per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the first day of November, 1940, to shareholders of record of the 19th October, 1940.

By Order of the Board,
ROBERT RAE, General Manager.
Toronto, 12th September, 1940.

Anglo-Canadian Telephone Company

PREFERRED DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and Three-Eighths Per Cent (1⅜%) has been declared on the 5½% Cumulative Preferred Stock of the Company for the quarter ending October 31, 1940, payable November 1, 1940, to Stockholders of record at the close of business on October 15, 1940.

By Order of the Board.
GEOFFREY PURDY, Secretary.
Montreal, October 7, 1940.

Zeller's Limited

Notice is hereby given that the Directors of Zeller's Limited have declared the regular quarterly Dividend of one and one-half (1½) per cent (37½ cents) on the Preferred Shares payable November 1st, 1940, to Shareholders of Record October 15th, 1940.

By Order of the Board.
T. E. McDERMOTT, Treasurer.

SOUTHERN CANADA POWER COMPANY LIMITED

The Board of Directors has declared this day the following dividend:

No Par Value Common Stock

No. 62, quarterly, 20c. per share, payable November 15th, 1940, to holders of record at the close of business October 31st, 1940.

L. C. HASKELL, F.C.I.S., Secretary.
Montreal, Oct. 2nd, 1940.

The Great West Saddlery Company Limited

6% Cumulative First Preferred Stock ($50.00 Par Value)

A dividend of six per cent (6%) per annum, or Seventy-five Cents (75c) per share, being one quarterly dividend for quarter ending March 31st, 1940, has been declared and authorized to be paid on October 30th to all First Preferred shareholders of record with the Transfer Agents of the Company at the close of business on October 17th, 1940.

By Order of the Board.
J. C. BROADFOOT, Secretary.
Winnipeg, Man., September 25th, 1940.

McIntyre Porcupine Mines Limited

(No Personal Liability)

Dividends Nos. 89 and 90

At a meeting of the Board of Directors of McIntyre Porcupine Mines Limited (No Personal Liability) held on the 18th day of September, 1940, the following dividends were declared payable in Canadian currency.

No. 89 for Fifty-five and a half cents (55½c) a share payable December 2, 1940, to shareholders of record November 1, 1940.

No. 90 (Extra) for One dollar and eleven cents ($1.11) a share payable January 2, 1941, to shareholders of record November 1, 1940.

Arrangements (of which particulars will be given to shareholders of record November 1, 1940) will be made whereby shareholders resident in the United States of America may convert their dividend cheques into United States funds at the now prevailing rate of exchange.

By order of the Board.
BALMER NEILLY, Treasurer.
Dated at Toronto, October 2, 1940.

DIVIDEND NOTICES

Hallnor Mines Limited

(No Personal Liability)

DIVIDEND NOTICE

Notice is hereby given that the interim dividend of 15c per share, payable in Canadian funds, has been declared by the Directors of Hallnor Mines, Limited (No Personal Liability), payable December 2nd, 1940, to shareholders of record at the close of business November 15th, 1940.

By order of the Board.
J. R. BRADFIELD, Secretary.
Toronto, Ont., October 4th, 1940.

PAMOUR PORCUPINE MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of 6 cents per share,* payable in Canadian Funds, has been declared by the Directors of PAMOUR PORCUPINE MINES, LIMITED, payable December 2nd, 1940, to shareholders of record at the close of business November 15th, 1940.

By order of the Board.
J. R. BRADFIELD, Secretary.
Toronto, Ont., October 4th, 1940.

Flour Export Up in August

Production Down Slightly Compared With Year Ago at 53.8% Capacity

Production of wheat flour by Canadian mills in August amounted to 1.3 million bbls. compared with 1.4 million bbls for August, 1939. In July this year flour production totalled 1.2 million bbls. Mills operated at 53.8% of capacity in August this year against 59.7% a year ago.

Flour exports from Canada in August this year amounted to 575,756 bbls. compared with 379,276 bbls. in Aug., 1939, and 313,864 bbls. in July, 1940. August is the first month of the new crop year.

In the crop year which ended July 31 last, Canadian mills produced 17.7 million bbls. of wheat flour and exported 6.8 million bbls. Exports totalled 38% of the total output. For the whole crop year ended July 31, 1940, Canadian flour mills operated at 65.7% of capacity against 56.6% in the preceding year.

August grindings of grain in Canada this year compare with a year ago as follows:

Grain Ground Month of August

	1940 Bus.	1939 Bus.
Wheat:		
Manitoba spring	4,882,066	5,473,604
Ontario winter	564,347	319,807
Durum	105,860	39,704
Garnet	95,134	258,201
U. S. & all other	251,439	291,942
Total wheat	5,898,846	6,383,259
Oats	1,235,109	1,095,328
Corn	242,973	213,394
Barley	297,513	119,095
Buckwheat	1,120	3,315
Mixed grains	1,754,276	1,361,909

Commodities

Strength developed in the commodity markets, especially in products coming from the Orient, such as rubber and silk, following the Japanese alliance with the Axis powers, but it failed to last and prices generally have become irregular.

A factor helping to control any tendency of markets to advance was the belief that the United States, if that country entered the war, would take strong measures to prevent runaway markets.

COMMODITY PRICES

	Latest week	Previous week	Same week last yr.
Cattle	$8.65	$8.35	$8.00
Hogs	12.00	9.60	9.25
Copper, lb.	.12	.12	.12½
Cotton, lb.	.0995	.0997	.0916
Rubber, lb.	.1968	.1962	.1925
Sugar, raw, lb.	.0280	.0275	.0365
Silk, lb.	2.61	2.55	3.10
Wheat, Man. (bu.)	.70½	.71¼	.68¼
Coffee, lb.	.05	.05	.05¼
Hides	.13	.12½	.15½
Weekly Indices			
Canada (D.B.S.)	82.8	83.0	77.9
Do., Wood, Gundy	66.0	66.5	63.4
U. S. Labor	77.7	77.7	79.5
Dow Jones (future)	53.78	53.23	54.79
Fishers'	82.4	82.1	83.6
Monthly Indices			
Canada (D.B.S.):			
Retail (*Aug.)	105.9	105.6	100.8
W'sale (Aug.)	82.7	82.4	72.3
U. S. (July)	77.7	77.5	75.4
Gt. Brit. (June)	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100, The British index is Board of Trade converted to 1930 base. *Base 1935-39—100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Week in Wheat

Futures Market Holds Above Pegged Levels

More Trading in Progress Than Appears on Surface — Canadian Mills Principal Buyers — Still Enlarging Quotas For Some

From Our Own Correspondent

WINNIPEG.—The wheat futures market at Winnipeg has continued to hold at slightly above the pegged levels for October, December and May wheat. Actually more trading has been in progress than might be supposed on noting quotations only fractionally higher than pegged levels, and correspondingly close to the basic initial prices offered by the Canadian Wheat Board.

Canadian mills, buying on account of domestic milling needs, are the principal buyers. Selling comes mainly on behalf of farmers disposing of grades of wheat lower than No. 1 Northern. On that grade there has lately been little or no advantage to a farmer selling his grain as against one delivering to the Canadian Wheat Board.

But on lower grades the difference has frequently amounted to several cents a bushel, as the market spreads on such grain have been narrower than those prevailing in the Wheat Board schedule for different grades of wheat. If the open market basis is as much as two cents a bushel above the Wheat Board price for any grade of wheat, a large number of farmers will sell, rather than take a chance on Wheat Board participation certificates being worth more than that amount, while at a five-cent difference perhaps the majority of farmers would do so.

But at anything less than two cents a bushel perhaps the majority of farmers will deliver to the Wheat Board rather than sell outright. Of course if anything were to develop which would encourage a belief in higher prices later on, the critical point for making such decisions would advance.

* * *

Still Buy Open Market

Country elevator operators have continued to offer to buy wheat on the open market basis, in spite of obvious risk that shipping conditions will prevent them getting grain to the head of the lakes in time to deliver on hedging sales that may be made in the futures market. There is a further risk that as the percentage of low-grade grain marketed increases, as is likely to happen, the lower grades, apparently somewhat overvalued of late as compared with No. 1 Northern, may have to be sold at wider spreads.

* * *

Storage Pay Starts

Effective as from Oct. 8, storage charges began to accrue in favor of farmers on farm-stored wheat delivered to the Canadian Wheat Board. That date was selected as reasonably representative of an average date for the completion of threshing. The rate is 1/45 cent per day, the same as the tariff rate allowed by the Board of Grain Commissioners for storage of grain in elevators. The Canadian Wheat Board thus established the rate at the maximum allowed by the amendment to the Wheat Board Act passed at the last session of Parliament. It is to be paid by additions to the initial price paid by the Wheat Board, in successive increases of one half cent a bushel to become effective on specified dates. Thus the first half-cent increase is effective from Nov. 1 to Nov. 22, and one cent from Nov. 23 to Dec. 15.

To obtain the maximum revenue from payments for farm storage a farmer would have to hold his grain until July 9 next, from which date until July 31 the basic Wheat Board price will be 76 cents a bushel for No. 1 Northern in store Fort William, instead of the 70-cent rate at which the season started.

To what extent farmers will deliberately store grain instead of delivering it promptly will probably remain an open question, as it is likely that soon the full capacity of country elevators will be occupied, and that pressure of deliveries will keep them full throughout the year. Farmers who might store for a considerable period will probably seize any chance to deliver, as space is available, in order to avoid the risk of not finding space later on. It appears farmers are generally inclined to regard the payment of farm storage as compensation for being forced by existing conditions to find storage space on their farms, rather than as inducement to do so.

* * *

Enlarging Quotas

The Wheat Board continues to enlarge local quotas at different shipping stations whenever it is found that available elevator space will accommodate more than the basic eight-bushel quota which still prevails at most stations. There are many points where elevators have become completely congested before the basic quota has been delivered. The efforts of the car-distribution committee are devoted to supplying railway cars to relieve pressure at those points, while it is strictly forbidden to load wheat for shipment from points where quotas have been enlarged.

A new difficulty in the allotment of quotas and railway cars is commencing to give concern. Wet weather has not only caused delayed threshing in Alberta but has also produced considerable quantities of tough grain. To prevent the risk of such grain going out of condition it will be necessary to keep space available in terminal elevators so dryers can be operated, and it will also be necessary to discriminate in car distribution in favor of points where the greatest damage occurs.

* * *

Much Building On

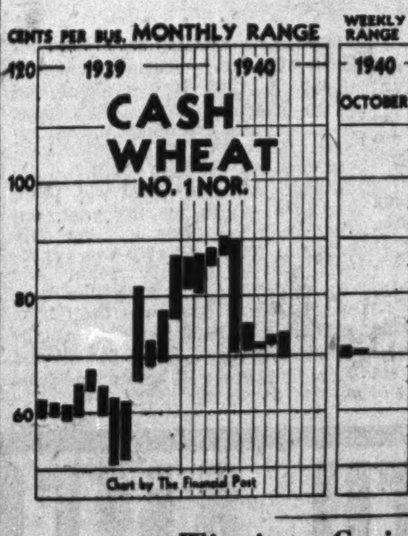
Building of annexes to country elevator is continuing at a great many points. When building programmes were begun, mostly in early August, it was thought that 30 million bushels might represent the maximum additional storage that could be thus supplied. Now it is probable that the total will be well over 50 million bushels.

No great relief for grain congestion is expected from the suggestion that country merchants and other commercial interests might store farmers' grain and hold it to secure payment of debts. Where vacant buildings are available it is probable creditors may arrange deliveries, but there is little likelihood that special buildings will be put up. Wheat so deposited will have to remain the property of the farmer, while in custody of the creditor, or otherwise the Wheat Board would be unable, under the law, to handle it.

It is also the case that so long as the quota system is in effect such grain would have to be delivered to an elevator against the quota of the producer. Grain lodged with a creditor by a farmer, and still remaining his property, would still remain subject to any liens which might exist against it while still in the producer's hands.

On the other hand, a number of land and mortgage companies have built storage warehouses to take care of grain which is actually their property, acquired under their rights to a percentage of crops grown by tenants or by purchasers of land. Such companies still have to rely on the farmer's quota permit in order to get grain into an elevator, but at least they can be sure that they are dealing with their own property.

Wheat Prices



Cash Quotations.

	For Week Oct. 8 High	For Week Oct. 8 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.70⅝	.70⅛	.71⅜	.69¾
1 Nor.	.70⅝	.70⅛	.71⅜	.69¾
2 Nor.	.69	.68⅜	.69⅝	.67¾
3 Nor.	.66⅝	.66⅛	.67¼	.65¼
4 Nor.	.63⅝	.62⅞	.64	.61½
5 Wheat	.59⅝	.58¾	.60½	.58½
6 Wheat	.55⅝	.55⅛	.56½	.55
Feed	.51⅝	.51⅛	.52½	.51
Oats:				
2 C. W.	.33¼	.31⅝	.32¼	.30¾
3 C. W.	.31¾	.30⅜	.30½	.29⅝
Barley:				
1 Feed	.38⅞	.38⅛	.39¼	.35⅝
2 Feed	.38¾	.37⅝	.38⅝	.35¼
Flax:				
1 C. W.	1.20	1.18¾	1.21¾	1.16½
2 C. W.	1.16	1.14¾	1.17¾	1.12½
Rye:				
2 C. W.	.44⅛	.42½	.45⅛	.43⅝

Winnipeg Grain Futures

Week to Oct. 8, 1940

Crop year from Aug. 1, 1940 High	Low		Open Oct. 3	High for week	Low for week	Close Oct. 8	Close year ago
		Wheat					
.73⅝	.70	Oct.	.71	.71	.70⅝	.70¾	.70⅛
.74⅝	.71⅝	Dec.	.72⅝	.72⅝	.71⅜	.71⅜	.72
.77⅝	.75⅛	May	.76¾	.76⅝	.75⅝	.75⅝	.76⅝
		Oats					
.33	.27¾	Oct.	.31¾	.33	.31⅛	.32⅝	.32
.30⅝	.25⅝	Dec.	.29	.30⅜	.28⅞	.30⅝	.30¾
.30¼	.26⅝	May	.29⅝	.30⅛	.29⅛	.30⅛	.30⅞
		Barley					
.39⅞	.31⅛	Oct.	.39½	.39¾	.38⅞	.39⅛	.43¼
.39½	.30½	Dec.	.39⅝	.39⅝	.38¾	.38⅝	.42⅞
.41¼	.33⅝	May	.40⅝	.40⅞	.39¼	.39⅞	.43⅛
		Flax					
1.34½	1.16½	Oct.	1.18½	1.20⅝	1.18⅛	1.18⅜	1.73
1.34⅝	1.16¼	Dec.	...	1.18⅛	1.18⅛	1.18⅛	1.67½
1.39⅝	1.16	May	1.20	1.21⅛	1.19⅜	1.19⅜	1.67
		Rye					
.46½	.40½	Oct.	.44¼	.44⅝	.42½	.42½	.60⅜
.47⅜	.40⅝	Dec.	.45⅝	.45⅝	.43⅞	.43⅞	.56⅜
.50	.44¼	May	.48	.48⅛	.46⅝	.47⅛	.57⅜

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Eastern Canada Car Sales Drop

Sales of principal makes of passenger autos in eastern Canada in August fell off nearly 53%, it is indicated by Canadian Automotive Trade's report on new passenger car registrations in eastern Canada. The cumulative gain in registrations, which was at a high level earlier in the year, now stands at 18% for the first eight months.

The Financial Post's monthly tabulation from the Automotive Trade analysis, which covers Ontario, Quebec and the Maritimes, has been expanded to cover the 12 makes with the largest number of registrations instead of 10 as formerly.

New Passenger Car Registrations In Eastern Canada

Twelve Leading Makes for the Month

	Aug. 1940	Aug. 1939	Year to Date 1940	Year to Date 1939
Chevrolet	503	704	11,372	8,932
Ford	350	549	8,718	7,650
Pontiac	180	299	3,985	3,163
McL.-Buick	142	265	3,051	2,206
Oldsmobile	133	264	2,329	2,323
Dodge	115	387	8,799	7,436
Plymouth	90	464	7,628	6,718
Mercury	84	172	2,111	1,843
Hudson	78	121	2,154	1,772
Studebaker	75	179	1,524	1,396
Willys	32	53	512	480
Lafayette	31	129	1,393	1,541
	1,823	3,788	53,976	45,460

Automobile Sales Show Decline

Returns Reflect Higher Taxes, Heavy Buying Earlier in Year

Impact of higher taxes on new passenger autos and the heavy buying of all types of motor vehicles earlier this year have been reflected in reduced sales in recent months.

Full returns are not yet available to show response during the past few weeks to introduction of new models for 1941. But complete official figures on sales of new motor vehicles across Canada in August extend the decline first recorded in July. Prior to that, every month showed increases in sales ranging from 10% to nearly 75%.

Sales Value Off 13%

August sales of new passenger and commercial cars (excluding deliveries for war purposes) show drops of 18% in number and 13% in value under Aug., 1939. Passenger car sales were more heavily affected, declining 25% in number and 18% in value while truck and bus sales fell off only 9% and 7%.

Despite the July and August decreases, total sales for the year to date are still 23% ahead in value over the same period last year. In the first eight months of this year, 98,681 cars, trucks and buses were sold with a retail value of over $110 millions.

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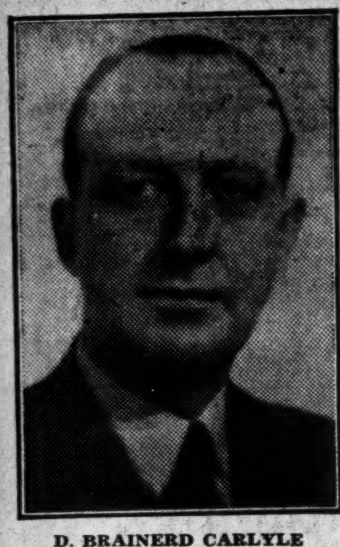

D. BRAINERD CARLYLE

Mr. Brainerd Carlyle is the newly appointed manager for North American Life Assurance Company at Winnipeg. He has been for six years a member of the Toronto Bay Branch, and one of the Company's leading fieldmen.

The former manager, W. B. Banfield, is now on the Administrative staff of the R.C.A.F. at Trenton, Ontario.

Canada Paper Co. Cuts Bonded Debt

From Our Own Correspondent

MONTREAL.—Canada Paper Co., subsidiary of Howard Smith Paper Mills, has reduced its outstanding first mortgage bonded debt, by the redemption of serial bonds, from $1,450,000 to $1,325,000. A further block of $125,000 of the serial bonds falls due June 4 next.

DON'T WAIT FOR 60 — PROVIDE FOR IT

SUN LIFE 'Assures' Security OF CANADA
HEAD OFFICE — MONTREAL

Our Mutual Life of Canada policies assure us security by: (1) building up valuable savings for our future needs; (2) guaranteeing us continuous protection.

We are three of the 165,000 policyholders who own The Mutual Life : : : and share all its profits.

THE MUTUAL LIFE OF CANADA
Established 1869
Head Office Waterloo, Ont.
"Owned by the Policyholders"

Fire and Casualty Insurance

Auto Insurance Need Grows

War Business Means More Vehicles on Road — Employers' Liability Broad

The faster pace of business due to the war requiring increased use of motor transport is causing insurance executives to look for a considerable expansion in automobile underwriting.

Reasons for this include:

Registrations of both passenger cars and trucks are increasing.

Trucks and cars already registered are in more constant use than they have been, increasing the accident hazard.

Many owners of cars and trucks who have driven their vehicles without insurance because they would not pay the premium now feel they can afford to do so because they are steadily employed.

Apart from these new developments insurance men point out that the reasons for carrying automobile insurance remain much as they have been in the past except that the large number of accidents recently in which individuals have been seriously injured makes financial protection more necessary than ever to everyone owning or driving a car.

Five Usual Coverages

There are five usual coverages for the automobile owner—fire, theft, collision, public liability and property damage.

Statistics indicate that a large proportion of the automobiles in Canada are not insured against any of these.

Last year there were 1,439,245 motor vehicles registered in Canada. If all of these had been insured against public liability and property damage alone, at an average premium of $25, a low figure, the premiums produced would have totalled $35.9 millions. Yet the total premiums on all automobile insurance written in Canada were only a little over half that amount or $18.8 millions and this included fire, theft and collision coverage as well as public liability and property damage.

Public Liability

Owners are often willing to risk loss of their cars by fire or theft. Frequently, too, they take a chance on collecting damages from the other fellow if their car is damaged in a collision when somebody else is to blame. But the question is asked, Can any owner afford to take the risk of heavy claims for public liability or property damage?

The question is one that applies to private passenger cars and trucks alike. Either may be involved in a bad accident and if their drivers are shown to be at fault the owner may get a big bill for damages.

Damages to property may be substantial. If a car or truck smashes a valuable store front, residence, gateway, piece of statuary or another automobile, the owner will likely get a big bill for damages. But it is possible, in such cases, to set a definite limit on the injury that may be done to any given piece of property.

But if somebody is killed or injured there is no telling what valuation will be ultimately placed on the damage. Take the person whose back is injured. The medical and hospital bills may run into thousands of dollars. If the individual is unable to work at his usual vocation a sympathetic jury may capitalize his lost earning power at a sum far exceeding the assets of the owner of the vehicle. In such cases an individual might have judgment placed against his earning power for the rest of his life.

Employers Held Responsible

But even if the offending vehicle is not owned by an individual; if it is being used by his employee on his business, he is liable. Cases affecting employers in this way have been fairly numerous.

For instance, about two years ago a court gave judgment against a steel company for $10,000 on account of an automobile accident involving one of its employees. The employers claimed they were not liable because, at the time of the accident, there was no excuse for the employee using the car. The court, however, held the employer was liable although it was after business hours and although the employer did not know and would not have sanctioned use of an automobile for the purpose.

Another case involved a clerk in a large departmental store. After hours he went to service a radio, using his own car, but without his employer's knowledge. He had an accident and because he was doing firm business the department store had to pay.

A Canadian bank had to pay over $8,000 because one of its clerks borrowed a friend's car to do a bank errand and was involved in an accident.

Cases such as these indicate the need of somebody either employer or employee carrying insurance when vehicles are being used for business purposes.

Juries are regarding an automobile owner, whether an individual or a corporation, as able to pay heavy damages. The insurance policy will take care of all legitimate claims.

Life Insurance At Work

A young man in Winnipeg in 1926 took out a policy on his own life for $1,500 carrying total disability benefit. Shortly after the policy was issued he had a serious accident injuring his spine and becoming totally disabled.

The disability benefit paid him $15 a month.

In 1938 the company made a settlement with him on discontinuing disability payments.

In 1940 he died and the company paid $1,598 to the beneficiary, his father, in final settlement of the claim.

Institute at Winnipeg Makes Awards

At the annual meeting of the Insurance Institute of Winnipeg it was announced that 13 students had completed the three-year course and would receive the diploma of the Insurance Institute of America. Sixty-nine others who passed the year's work will receive the Winnipeg Institute certificate.

Two scholarships were awarded, The Harrison Memorial Scholarship to William J. Miller, Northern Assurance Co., and the Casualty Course Scholarship to Margaret E. Scott, Grain Insurance and Guarantee Co.

Robert Lynch Stailing, manager for Canada of the Sun Insurance Office, addressed the meeting.

Officers elected were:

President, J. J. Milne, Royal Exchange Assurance.

Hon. President, R. P. Simpson, Sun Insurance Office Ltd.

Vice-President, D. Bruce Murray, Pool Insurance Ltd.

Secretary, G. E. Budden, Western Canada Underwriters Association.

Treasurer, C. R. Francis, Canadian Fire Insurance Co.

Council

H. P. Ham, British America Assurance Co.; H. A. Roberts, Grain Insurance & Guarantee Co.; N. C. Woodcock, Caledonian Insurance Co.; T. G. Cox, The Canadian Surety Co.; L. L. Lewis, Insurance Co. of North America; A. C. Ruby, Eagle Star Insurance Co. Ltd.; L. S. Watson, Canadian Fire Insurance Co.

Fire and Casualty Insurance Notes

Decision in an English court regarding the responsibility of a municipal corporation to pedestrians in a blackout is of interest to Canadians living in sections where blackouts occur.

A pedestrian in Stepney, England, walking along the pavement during a blackout collided with a sand bin, which he alleged was not visible. A rib was fractured.

The corporation of Stepney denied liability and pleaded that the plaintiff had been guilty of contributory negligence.

The judge said there was a duty on the part of defendants to take steps to prevent danger to pedestrians. This, he said, could have been done by putting a big splash of paint or whitewash on the sand bin. The mere fact that a corporation was absolved from the duty of lighting the streets, he ruled, did not absolve it from any other duty imposed by the common law to see that pedestrians were not unduly inconvenienced or subjected to accidents by carelessness on the part of the corporation.

The plaintiff was awarded £190 and costs. The judge, however, has granted a stay of execution on the ground that there would be many such cases and it was desirable there should be a ruling from higher courts on the question.

* * *

Recent experiments at Bloomfield, N.J., are reported to have proved the efficacy of carbon dioxide, (CO_2) as a fire extinguisher.

This gas, the one that makes the fizz in soda water, cuts the air's normal 21% oxygen content to 14% or less. Oil and gasoline need an oxygen content of about 17% to burn.

In fighting a fire, the soda pop gas must be used continuously until the fire ceases. One advantage it has is that it does not spread any sticky fire-smothering substance over threatened articles or materials which must be removed after the blaze. Nor is it a conductor of electricity. It is reported that U. S. military planes, tanks and trucks and small boats now carry protective equipment of this kind.

Obituaries

William Thompson, Canadian manager at Toronto of the Security Insurance Co. of New Haven, the American Insurance Co., of Newark, and the Fire Association, of Philadelphia, at Winnipeg.

Lewis Arthur Brown, vice-president Brown's Bread Co. Ltd., Toronto, aged 50, at Toronto.

William Walter Pope, fomerly solicitor, and secretary of the Hydro-Electric Power Commission of Ontario, aged 91, at Streetsville, Ont.

Municipal Finances

Kitchener, Ont., reports 87.05% of current taxes were collected in the first nine months of 1940. In addition, $115,136 of tax arrears was collected.

* * *

East York Township, Ont., reports relief costs at $44,686 below estimated figures in the first nine months of the year. Saving of about $75,000 on the estimated figure is predicted for the full 12 months. There were 638 persons on relief at Oct. 1, compared with 988 a month previous and 3,040 on Jan. 1, last. September relief expenditures of $8,498 compared with budget estimate of $17,715.

* * *

Scarboro Township, Ont., has prepaid $140,040 of debentures ordinarily maturing during the next six years under its 40-year refunding plan. This payment represents 6% of the total outstanding debt of about $2.3 millions. The township has enjoyed the best financial year on record in 1940, and also will pay off $50,000 on a local improvement loan of $111,000—resulting in total annual interest saving of $8,500. J. O. Kessack, treasurer, reports the payments can be made as a result of a substantial increase in tax collections and large savings in relief costs.

* * *

Collingwood, Ont., is notifying holders of $28,228 of general debentures dated Dec. 1, last, and maturing 1941-44, that it will redeem the issue on Dec. 1, 1940. Redemption will be made at par, plus accrued interest.

* * *

Kelowna, B.C., so far has spent only $52,361 of the $87,242 obtained by the sale of debentures for the installation of new sewers. Major portion of the work has been completed.

* * *

North Vancouver, B.C., reports a decline in relief costs from $8,790 in August, 1939, to $4.056 in August of this year.

* * *

Windsor, Ont., has received suggestions for improvement of its relief administration. The information comes in the form of a report prepared by James S. Band, inspector for the Welfare Department of Ontario, following a survey.

* * *

Windsor, Ont., city council has authorized the transfer of $500,000 from the city's bank account to the sinking fund. The money will increase its earnings by investment, as compared with the lower interest rate available in the bank. Sinking fund is increased substantially, also, the fund totalling slightly over $1 million at the end of last year.

City Treasurer A. E. Cook states the city is in good financial position this year. It will be able to conclude the 12 months without the $500,000—principal portion of which was set up in the budget at the beginning of the year as a result of the increased tax rate.

* * *

Prince Albert, Sask., is having its financial affairs investigated by the Saskatchewan Local Government Board. The enquiry follows default on interest due July 1 on the city's debentures. The payment was due in two lots—one for £2,900 due in London and the other for $52,833 due in Toronto.

* * *

Kingston, Ont., reports 89.7% of current tax levy collected in 1939, compared with 88.8% in 1938. Net tax arrears have been reduced by $83,138, and cash position of the city has been improved to about this extent. Gross debenture debt of $2.7 millions is down about $240,000.

* * *

School Corp. of Riviere-Bleue, County of Temiscouata, Quebec, will submit a plan of financial reorganization at a meeting in the Dept. of Municipal Affairs, Quebec, Oct. 8.

* * *

East York Township, Ont., plans to call, prior to maturity date, debentures totalling $228,134 on Oct. 1. This will reduce total debenture indebtedness to $5.2 millions. At the same time it is planned to repay a bank loan of $87,149 made for relief works several years ago, reducing outstanding loans to about $500,000. Debt service charges will be cut about $40,000 as a result of these payments.

Financial statement for the first eight months of 1940 shows 60.5% of current levy of taxes and almost half the arrears collected. Current tax collections at the end of August totalled $673,124 and arrears $272,913.

* * *

London's hydro department of the Public Utilities Commission reports a cash surplus for the first time. The amount of $75,000 probably will be used as the beginning of a reserve fund. The surplus is more than sufficient to wipe out the still outstanding debenture debt of $50,000, but the debentures cannot be paid off until maturity.

About $4 millions is invested in the hydro system, and about $1.6 millions of debentures have been issued since the hydro department began 30 years ago. Balance of the investment has been financed by expenditures made from current account.

* * *

Montreal's monthly savings on relief costs have reached approximately $125,000, it was announced at the Executive Committee's office. A higher rate of industrial employment, because of war-stimulated industries has brought about the reduction. About $775,000 was voted for each month for the year, but October relief costs will be only $638,870. While $483,000 was appropriated for ordinary relief and workers' relief, only $380,000 will be spent. Rental costs will drop from $190,000 to $180,000; special will be reduced from $21,000 to $16,875 and administration will be reduced from $67,215 to $62,000.

Life Insurance

Savings Type Policy Now Quite Popular

Life insurance policies in which the savings element bulks large are proving popular these days with young men and women who are either in the army or navy or expect to be there before long.

The policies involved include the various types of endowment contracts, such as 15 or 20-year endowments or endowments at age 60 or 65, etc.

These contracts, of course, combine both the insurance and savings feature, but the latter is the one that is proving attractive just now.

Basis of Appeal

These contracts appeal to young men and women under present conditions especially because:

They give insurance protection in full to the policyholder as long as he or she stays in the home areas which mean roughly Canada and the United States and does not enter the air service either at home or abroad.

If he goes overseas and lives six months after coming back to the home areas he is considered fully insured and the war clauses do not apply further.

The money he pays in in premiums constitutes a savings fund which may come in handy when the war is over if the insured lives either when the policy matures and the full endowment is payable or when the cash value can be taken if the need arises.

Full Coverage

Under the war clauses, it is also provided that if the insured dies as a result of war service while overseas, or within six months after his return to the home areas, his beneficiaries will receive the premiums he has paid in plus 3%. But if he desires full coverage for the face value of the policy, it may be secured for men and women in the military or naval services abroad, or in the air service at home, by payment of an extra premium.

Many young fellows without family responsibilities feel that it will probably be a difficult job to save much of their pay while in the army unless they have some incentive, such as an insurance policy to pay for. If they arrange to have a part of their salary deducted every pay day the saving is so much better assured.

A further consideration with many is that by using life insurance they can also contribute to the financial needs of the Government. The funds of the life companies will be drawn on more and more as the war continues to finance the purchase of war supplies and equipment and to pay the men in the different branches of the defense services. Thus every policyholder eventually becomes a lender to the Government.

Life Insurance Notes

A. J. Bures has been appointed manager of the Southern Alberta branch of the Monarch Life Assurance Co. of Winnipeg, succeeding K. M. Dickson who has joined the Canadian military forces. His headquarters will be at Calgary.

A. J. BURES

Mr. Bures entered the service of the Monarch Life 16 years ago and has been supervisor of field service for the company in charge of educational, promotional and advertising work at head office and for more than three years past as city supervisor for Winnipeg. He has qualified for the company's Honor Club for the past four consecutive years.

* * *

"There is no reason to anticipate in the foreseeable future, inflation on anything approaching the scale experienced during and immediately after the last war," E. A. Macnutt, vice-president and treasurer of the Sun Life Assurance Co. of Canada, told the Life Underwriters Association of Montreal.

Reasons he gave for taking out a life insurance policy, even if inflation remains a definite possibility, were:

"Life insurance is not primarily an investment. It is a protection against premature death, and an individual can get a far greater degree of protection by paying premiums on a life insurance policy than he can by placing the equivalent amount of money in any other security.

"Secondly, it is quite possible that we may experience in the future periods of fluctuating prices as we have in the past, though at this point of time it looks as if our future fluctuations may be of much smaller magnitude.

"Remember that if these price fluctuations occur from year to year, a man who pays his premiums over a period of, say, 20 years pays one premium at a time of relatively high prices and another at a time of relatively low prices. Over the whole period he pays his premiums in what might be called 'average dollars.'

"When the policy matures the beneficiary can, if he wishes, have the amount of the policy paid to him over a period of years in which case he would get it in 'average dollars.' What better protection against rising and falling prices could you have than that?"

Mr. Macnutt added that while it was possible to get a good investment hedge against violent inflation by purchasing commodities or land or the stock of companies interested in those things, such an investment proved bad in times of deflation when prices fall. Consequently a person taking a hedge of that kind should be certain inflation is actually coming.

A number of United States employees of the Great West Life Assurance Co., visiting in Winnipeg for a three-day convention recently, were taken for an airplane flight over the country north of Winnipeg. The trip included a visit to the San Antonio Gold Mines.

* * *

Sales of ordinary life insurance in the United States in August amounted to $528.3 millions, a gain of 10% over last year. The figures are based on the experience of 53 companies representing 84% of the new ordinary life insurance in the United States.

* * *

The Dominion Life Assurance Co. of Waterloo, Ont., has been admitted to membership in the American Life Convention, bringing the total membership up to 156 companies from various parts of the United States and Canada. The Dominion Life operates in Michigan, Pennsylvania and Alaska as well as Canada, Newfoundland and Jamaica.

NORTH AMERICAN LIFE
ESTABLISHED 1881 A MUTUAL COMPANY
Head Office: TORONTO, CANADA
"Assure your future"
ALL PROFITS FOR POLICYHOLDERS

STANDARD LIFE ASSURANCE COMPANY

maintains

Assets in Canada

greatly in excess of the reserves required by the Canadian Government

Established in Canada 1833

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Branch Offices are maintained in the following Cities:—
TORONTO, LONDON, OTTAWA and HAMILTON, Ont., MONTREAL, P.Q., FREDERICTON and SAINT JOHN, N.B., HALIFAX, N.S., and VANCOUVER, B.C.

Commenced Business 1906
MONARCH LIFE ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY

THE MANUFACTURERS LIFE INSURANCE COMPANY

The Safest Provision is also the Easiest

A REGULAR monthly income from planned Life Insurance is the wisest, safest and easiest provision you can make for your dependents now or for your own retirement later.

Such an income is proof against market fluctuations and economic uncertainties. The money will come in regularly and you can be sure that the payments will continue.

HEAD OFFICE: TORONTO, CANADA
Established 1887

GROUP INSURANCE SOLVES THE EMPLOYER'S PROBLEM

The death of an employee, probably after a long and costly illness, is an all too frequent problem. Almost 40% of all employees have no life insurance at all and dependents look to you, as an employer, for assistance. You find it difficult to refuse help, but the cost of such assistance over a period of years is substantial.

Many employers have found that Great-West Life Group Insurance is a real saving. It continues the employee's income to his family during the difficult months of adjustment. It solves the employer's problem.

Get in touch with a Great-West Life man. The Group Department of his company will be glad to submit a plan adapted to the needs of your business.

The GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE — WINNIPEG, CANADA

Banking

Increase Shown In Bank Debits

Three of Five Economic Areas Found Higher Than Year Ago

Expansion of business due to war is reflected in the heavier payments of money by cheque in August as compared with a year ago. At $2.4 billions the total for Canada was nearly 3% higher.

Gains were shown in three of the five economic areas, the exceptions being Quebec and the Prairie Provinces. The Maritimes showed a gain of 23%, Ontario 14% and British Columbia 8%. The decline in Quebec was 9%, losses being shown in both Montreal and Quebec City, while the Prairies declined about 6%, due to recessions in Winnipeg and Lethbridge.

Compared with the previous month a decline in the total is seen but after seasonal adjustment it is estimated there is a gain of 2%.

Bank debits usually show a decline in August from July, a decrease having occurred in five of the seven years previous.

Comparative figures follow:

Debits to Individual Accounts
Millions of Dollars

	Aug. 1940 $	July 1940 $	Aug. 1939 $
Maritimes			
Halifax	33.6	39.9	26.8
Moncton	12.6	11.3	9.2
Saint John	18.1	19.9	16.2
Total	64.3	71.1	52.2
Quebec			
Montreal	632.8	684.6	685.3
Quebec	83.5	76.4	102.8
Sherbrooke	7.8	8.7	6.9
Total	724.2	769.7	795.1
Ontario			
Brantford	10.6	10.7	8.1
Chatham	7.3	8.7	6.2
Fort William	8.2	7.3	6.3
Hamilton	72.3	70.7	53.5
Kingston	8.0	7.9	5.4
Kitchener	13.1	13.6	10.9
London	29.8	34.6	30.1
Ottawa	163.6	169.1	86.4
Peterborough	7.6	7.7	5.7
Sarnia	6.6	6.8	5.6
Sudbury	7.3	7.6	7.5
Toronto	731.8	706.1	714.8
Windsor	40.9	38.3	30.3
Total	1,107.4	1,089.4	971.2
Prairies			
Brandon	3.2	3.4	2.7
Calgary	59.5	58.5	46.6
Edmonton	43.4	41.2	34.9
Lethbridge	4.3	4.1	4.6
Medicine Hat	2.4	2.3	2.0
Moose Jaw	7.9	7.2	5.7
Prince Albert	2.8	2.6	2.2
Regina	37.6	60.5	34.6
Saskatoon	11.1	10.9	9.1
Winnipeg	211.4	324.8	264.1
Total	383.8	515.7	406.6
British Columbia			
New Westminster	7.9	7.5	6.6
Vancouver	135.6	138.6	132.1
Victoria	34.3	30.4	25.9
Total	177.9	176.6	164.6
Total for Canada	2,457.7	2,622.5	2,389.7

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

R. V. HICKSON, to be manager, Peticodiac, N.B.

G. R. UNDERWOOD, to be accountant, Bank & Gloucester, Ottawa.

The WAWANESA Mutual Insurance Company
Assets Exceed ... $2,600,000.00
Surplus 1,330,363.89
Dominion Govt. Deposit exceeds 1,000,000.00
Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada

United States Fidelity & Guaranty Company
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HOME ASSURANCE COMPANY OF CANADA
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Application for Agencies Invited.

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING TORONTO
Fire and Allied Lines Written in Associated Companies

THE WESTERN ASSURANCE COMPANY
TORONTO · CANADA
INCORPORATED 1851
FIRE — CASUALTY — MARINE
AUTOMOBILE — AVIATION

Effect of War Seen In Current Loans

Financing of War Orders and Construction By Bank Credit Reflected — Savings Deposits Also Rise Over Previous Month

Effect of war on banking operations is indicated in the increased loans and deposits shown by the Canadian chartered banks in their regular monthly return to the Minister of Finance as at Aug. 31.

Current loans in Canada at $940 millions were almost $15 millions above the previous month and $113 millions above last year.

The expansion is due in large measure to the large war contracts that have been placed in the country.

In the case of new buildings, contractors in many instances are borrowing from the banks to buy the necessary lumber, pay their workmen, etc., until they can collect something from the Government on the work done.

Manufacturers Borrow

The same thing happens as regards manufacturers. While the Government is certain pay, sometimes by the time the accounts get through all the necessary authorities, considerable delay results. Manufacturers, however, meanwhile have to pay for their raw materials and also pay the wages of their employees. They obtain the necessary money from the banks on the security of the Government contract. The amount of borrowing of this kind is understood to have been quite heavy in recent weeks showing expansion in September over August.

Merchants too are using bank credit in increasing volume. Consumer demand for staple clothing and foods is steadily expanding as payrolls increase. Consequently merchants have to keep larger stocks on hand. This is financed by bank loans in the way it was done in former years. These loans are paid off by the merchant as the goods are sold to the consumer and paid for. Belief that prices are not likely to go lower has made both wholesalers and retailers more confident about laying in stocks.

The big wheat crop in the West is another factor helping to increase bank loans. For although storage space is inadequate to take the usual proportion of the new crop, deliveries are larger than expected.

Call loans continue to dwindle, showing a decline of almost $1 million from the previous month and $11 millions from last year.

Deposits Rise

A feature of the statement is the sharp upswing in both savings and demand deposits.

The larger savings deposits indicate that much of the money being paid out for war work is finding its way back to the banks on deposit by the wage earner. Savings deposits at $1.6 billion are $22 millions higher than in the previous month though $67 millions below last year.

Deposits increased a little more rapidly in proportion than loans. Consequently The Financial Post Credit Index which is the ratio of call and current loans to demand and savings deposits was slightly lower than the previous month but 2.6% above last year.

Bank note circulation at $93.3 millions is $1 million higher than a year ago and $571,000 above last year.

The bank's cash position is strong, coin, Bank of Canada notes and deposits with the Bank of Canada amounting to $291 millions up $13.7 millions from the previous month and $26.1 millions higher than last year.

Use of Bank Credit in Canada
(In Millions of Dollars)

	August 1940	July 1940	Change	August 1939	Change
Loans	1,099.9	1,091.5	+8.4	1,005.9	+94.0
Investments	1,568.6	1,576.0	—7.4	1,507.3	+61.3
Total	2,668.5	2,667.5	+1.0	2,513.2	+155.3
Deposits	2,511.8	2,464.0	+47.8	2,407.1	+104.7
Credit index*	38.9%	39.1%	—0.2%	36.3%	+2.6%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

Immediately Available Liquid Assets

	August 1940 $	July 1940 $	Change $	August 1939 $	Change $
Canadian coin	4,838,005	5,370,591	—532,586	5,790,183	—952,178
Bk. of Can. notes	70,569,756	77,432,815	—6,863,059	57,645,819	+12,923,937
Bk. of Can. depos.	215,539,672	194,413,616	+21,126,056	201,318,349	+14,221,323
Bank's cash	290,947,433	277,217,022	+13,730,411	264,754,351	+26,193,082
Other banks notes	3,413,410	3,750,924	—337,514	4,946,491	—1,533,081
Gold & sub. coin abd.	4,043,993	4,214,398	—170,405	5,807,662	—1,763,669
Foreign banks	168,785,897	175,068,966	—6,283,069	262,868,634	—94,082,737
Foreign curr.	29,291,221	28,968,504	+322,717	30,720,034	—1,428,813
Gov. sec. short term	701,389,223	699,592,582	+1,796,641	443,343,995	+258,045,228
Do., long term	604,045,296	609,719,931	—5,674,635	743,873,020	—139,827,724
Call loans abroad	38,431,669	38,769,161	—332,492	41,843,104	—3,411,435
	1,840,348,142	1,837,296,488	+3,051,654	1,798,157,291	+42,190,851
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	91,675,537	93,282,320	—1,606,783	104,005,339	—12,329,802
Public secs.‡	61,892,240	60,729,917	+1,162,323	88,495,365	—26,603,125
Other secs.	109,623,930	112,720,004	—3,096,074	127,571,853	—17,947,923
Can. call loans	37,582,763	38,479,629	—896,866	49,196,766	—11,524,003
Current loans	939,819,822	925,197,994	+14,621,828	826,351,734	+113,468,088
Loans abroad	130,531,554	133,455,322	—2,923,768	140,896,518	—10,364,964
Prov. loans	14,531,991	14,569,393	—37,402	16,635,182	—2,103,191
Mun. loans	107,962,549	113,276,220	—5,313,671	113,830,618	—5,868,069
	1,493,620,386	1,491,710,799	+1,909,587	1,466,893,375	+26,727,011
OTHER ASSETS					
Non-current loans	7,955,119	7,983,929	—28,810	9,017,395	—1,062,276
Real estate	7,512,736	7,521,089	—8,353	7,867,564	—354,828
Mortgages	3,918,822	3,939,955	—21,133	4,129,466	—210,644
Premises	71,432,740	71,956,867	—524,127	72,271,057	—838,317
Letters of credit	64,302,050	66,216,252	—1,914,202	52,957,727	+11,344,323
Loans to comp.	11,020,251	11,119,056	—98,805	11,363,750	—343,499
Other assets	2,323,968	2,243,292	+80,676	2,152,082	+171,886
	168,465,686	170,980,440	—2,514,754	159,759,041	+8,706,645
Total	3,502,434,214	3,499,987,727	+2,446,487	3,424,809,707	+77,624,507
Note circ. dep.	4,819,842	4,851,853	—32,011	5,054,952	—235,110
Int. bank bal.	102,963,226	111,788,780	—8,825,554	118,561,892	—15,598,666
Gross	3,610,217,282	3,616,628,360	—6,411,078	3,548,426,551	+61,790,731

LIABILITIES

	August 1940 $	July 1940 $	Change $	August 1939 $	Change $
To the Public					
Circulation	93,388,294	92,271,313	+1,116,981	92,816,492	+571,802
Dom. Govt.	113,915,291	136,767,127	—22,851,836	60,295,652	+53,619,639
Prov. Govt.	63,213,327	73,469,564	—10,256,237	56,215,581	+6,997,746
Deposits by Public					
Demand dep.	877,429,002	851,518,297	+25,910,705	705,171,205	+172,257,797
Savings dep.	1,634,403,137	1,612,549,076	+21,854,061	1,701,886,610	—67,483,473
Total	2,511,832,139	2,464,067,373	+47,764,766	2,407,057,815	+104,774,324
Foreign dep.	402,883,176	421,507,238	—18,624,062	500,892,172	—98,008,996
Due to Banks Abroad, Etc.					
United Kingdom	20,229,763	19,057,605	+1,172,158	13,457,949	+6,771,814
Foreign	24,885,931	28,581,778	—3,695,847	46,000,916	—21,114,985
Bills payable	196,715	214,475	—17,760	375,822	—179,107
Letters of credit	64,302,050	66,216,252	—1,914,202	52,957,727	+11,344,323
Other liabs.	4,239,427	4,258,229	—18,802	4,136,494	+102,933
Total pub. liabs.	3,299,086,113	3,306,410,954	—7,324,841	3,234,206,620	+64,879,493
Due bet. banks	9,367,396	10,428,052	—1,060,656	15,778,857	—6,411,461
Liability to Shareholders					
Dividends	2,233,294	2,749,452	—516,158	2,207,372	+25,922
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,000,000	....	145,500,000	....
Gross	3,589,936,803	3,598,838,458	—8,901,655	3,531,442,849	+58,493,954

‡Other than Canadian.

Bank Chat

According to a resolution of the directors of the First National Bank in Palm Beach, Florida, and its affiliate the First National Bank in Lake Worth, employees who have been with the bank two years and are called for military training or selective service will be paid the same salary for the year as they were receiving when they left the bank, less the amount received from the United States Government.

At the end of the year the bank will re-employ them in positions which pay the same salaries or larger.

Weekly Bank Clearings

	Oct. 3 1940 $	Change yr. ago %	Sept. 26 1940 $
Halifax	3,804,346	+27.8	2,612,911
Saint John	2,627,772	+22.7	1,844,042
Moncton	1,033,696	+14.2	927,286
Sherbrooke	1,090,818	+18.6	771,195
Quebec	6,253,910	+2.2	4,710,536
Montreal	168,058,578	+41.3	89,461,096
Ottawa	41,164,152	+44.0	27,425,802
Kingston	852,278	—2.7	722,106
Peterborough	772,308	+8.2	555,296
Toronto	177,187,874	+47.4	84,465,351
Hamilton	7,803,374	+19.6	5,420,927
Kitchener	1,327,509	—6.7	1,056,833
Brantford	1,491,315	+21.7	863,970
London	4,941,140	+40.4	2,309,734
Chatham	899,216	+9.7	573,169
Sarnia	522,061	+1.7	385,536
Sudbury	1,171,566	—3.9	1,081,371
Windsor	3,435,285	+27.0	3,058,443
Fort William	1,060,776	+18.1	776,216
Winnipeg	80,886,246	—19.3	52,554,475
Brandon	548,029	—10.0	411,202
Regina	11,392,115	—25.5	9,149,401
Moose Jaw	997,694	—4.0	753,022
Saskatoon	2,547,103	+2.4	1,708,455
Prince Albert	522,254	+3.1	366,534
Edmonton	5,678,447	+8.3	4,142,853
Calgary	8,419,268	+8.7	6,486,080
Lethbridge	738,264	—9.9	569,490
Medicine Hat	555,036	+2.2	406,966
N. W'minster	1,075,362	+28.9	756,169
Vancouver	27,123,534	+29.4	18,106,447
Victoria	2,438,941	+13.8	1,846,641

Sanderson Back With Fleet

W. J. Sanderson, president of Fleet Aircraft Ltd., who has been Director of Aircraft Production for the Department of Munitions and Supply at Ottawa for some time past, has returned to the company to give it his full attention.

Mr. Sanderson was one of the 18 employees of Fleet Aircraft who received tokens recognizing long continuous service with the firm at a special dinner recently.

Note Circulation Reaches New High

Seasonal Monetary Development Accentuated By War Orders in Canada

Total circulation of $335.1 millions is shown by the Bank of Canada in its statement for the week ended Oct. 2. This is an increase of $7.7 millions over the previous week, and sets another new high.

Factors tending to bring about the rise in recent months have been:

A larger number of men in the military, naval and air forces, being paid by cash.

Greater activity in business, necessitating more currency.

More men and women employed in industry, and being paid in cash.

More money being kept in their tills by the chartered banks to cash pay and other cheques.

Hoarding Subsides

In the late spring and early summer there was some withdrawal of cash from the banks for hoarding by people who feared their money might be confiscated. They interpreted the mobilization of resources as meaning confiscation. This fear passed weeks ago and the hoarding of bills subsided. But bankers say it takes some time for the money so withdrawn to come back.

Expansion in the currency is usually seen in the autumn when the crops are moving and fall business is developing. This year, however, owing to the war, industry and trade are accelerating at a more rapid pace than normally.

Bond Investments Up

On the credit side of the statement an increase of $25 millions is seen in the bank's investments, mostly in long-term issues.

The $25 millions advance to the Dominion Government shown in the previous week's statement has disappeared. This it is understood was money borrowed by Ottawa to meet obligations until the proceeds of the war loan came in.

Balance Sheet

	Oct. 2 1940 $	Sept. 25 1940 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	335,121,155	327,430,937
Rest fund	2,449,756	2,449,757
Depos.: Dominion	17,946,682	26,828,795
Bank	223,739,370	228,918,648
Other	4,134,273	7,539,909
Total deposits	245,820,327	263,287,352
All other liabs.	9,654,839	7,643,688
Total liabs.	598,046,077	605,811,734
Assets		
Reserve:		
In sterl'g & U.S.	20,335,671	31,913,948
Subsidiary coin	306,731	284,276
Advances to banks	3,000,000	1,000,000
Do. to Dom. Gov.	......	25,000,000
Investments:		
Dom. Gov. short	422,380,191	417,085,195
Other Dom. Gov.	153,086,753	123,492,127
Total invest.	565,466,944	540,577,322
Premises	1,732,625	1,732,547
All other assets	7,204,106	5,303,641
	598,046,077	605,811,734

Fairchild Air Reports Gain

Income Statement Does Not Yet Fully Reflect Expanded Operations

From Our Own Correspondent

MONTREAL.—Rapid expansion in operations of Fairchild Aircraft Ltd. is not fully reflected in the financial statement for the year ended June 30, 1940, when the company had a gross operating revenue of $167,521, as against $118,115 the year before.

Last March the original contract placed with the company by the Canadian Government for 18 Bristol Bolingbrokes was superseded by contract for 89 aircraft of the same type. Deliveries are being made as required by the contract, but the financial statement for 1939-40 only reflects profit accruing to the company on 11 of the aircraft delivered prior to the year end.

Step Up Output

In his report to the shareholders H. M. Pasmore, president, states that the company has been instructed to increase the rate of production of Bolingbroke Aircraft to 15 a month and it is expected that this output will be reached early in 1941, provided the necessary man power and material are available.

In connection with the work for Canadian Associated Aircraft, deliveries are being made as required under the contract, but no profit was payable during the period ended June 30 last.

The income account shows that after a substantial increase in depreciation reserve and for development expense, which is partly offset by no provision for inventory loss as was the case in the previous year, net income of $11,444 compared with $23,060 in the 1939 fiscal year.

Many Changes Noted

The balance sheet reflects numerous changes consequent upon the expansion of operations. For example, bank loans have increased from $196,065 to $678,341 and accounts payable from $83,585 to $396,938. Additional capital required by the company is seen in the issuance of $150,000 of 5% convertible notes, of which amount $39,000 has been converted into common stock, increasing the latter from 120,000 to 127,800 shares.

On the other side of the balance sheet, stocks receivable increased from $243,023 to $794,943, while inventories gained from $68,208 to $239,252. The company has now completed its subscription to Canadian Associated Aircraft, this item standing on the books at $166,500.

Comparative figures on the profit and loss statement follow:

Income and Surplus Account
Year Ended June 30

	1940	1939
Operating profit	$167,521	$118,115
Less: Exec. salaries	20,900	17,104
Legal fees	2,324	1,378
Int. on loan	21,217	7,707
Note interest	4,129	......
Depreciation	69,578	13,866
W/o development	36,354	25,000
Inventory loss	......	25,000
Income tax	1,574	5,000
Net income	11,444	23,060
Previous deficit	81,709	104,769
Deficit forward	70,264	81,709
Working Capital		
Current assets	$1,123,190	$447,075
Current liabilities	1,116,128	454,813
Working capital	7,062	*7,738

*Excess of liabilities.

Defection Grows Against C.I.O.'s Canadian Front

(Please see also p. 4)

Defection from the ranks of the lately formed Canadian Congress of Labor, fusion of the All-Canadian Congress of Labor with C.I.O. unions in Canada, has grown.

Recently at London, Ont., H. T. Harrison tendered his resignation as president of the London National Labor Council in protest against the merger and the way it was effected. While prevailed upon to retain office to the end of the year, Mr. Harrison objected that members of the All-Canadian Congress had been kept in the dark right up to the time of the recent Toronto convention of the A.C.C.L.

Other delegates to the London Council charged that the convention, which officially started off as an A.C.C.L. meeting, had been "packed" with C.I.O. delegates even before the merger plan was dealt with and approved. The London local of the Milk Drivers Union, former A.C.C.L. unit, withdrew from the new Congress but retains affiliation with the London Council as an independent union.

Protests and withdrawals of all-Canadian unions from the new Congress, now dominated by the Canadian branches of C.I.O. unions, began before the Toronto convention was wound up. The head of the Canadian Association of Railwaymen, formerly linked with the A.C.C.L., announced he was withdrawing because he preferred a "purely national union" and a central federation of the same type. He apparently believed that the merger meant virtual absorption of the All-Canadian Congress by the C.I.O. group.

Dissimilar Bodies

Canada's new labor federation is a fusion of basically different and normally rival union groups.

Ostensibly, the new national central body was created by affiliation with the All-Canadian Congress of Labor of Canadian branches of U. S. unions in the C. I. O., headed by John L. Lewis, labor-political czar.

Actually, the C. I. O. appears to have moved into the organizational structure of the A. C. C. L. in such a way that it occupies most of the room in the establishment, and already has begun to dominate it. The new branch is larger than the tree to which it was grafted. Affirmed basis of the union was enrolment of the C. I. O. unions under the A. C. C. L. banner. The presumed advantage of the C. I. O. was getting linked up with an established central labor federation; to both bodies, of substantially expanded strength and influence.

It was represented at the recent convention that both groups were of approximately equal membership of about 50,000 in affiliated unions and thus had created a new body of 100,000. Latest available statistics from official sources suggest some exaggeration here. The last report of the Dominion Department of Labor on labor organization in Canada indicates total membership of the new Congress is not more than 89-90,000. Total of 62,000 credited to the Canadian C.I.O. unions on the basis of 1938 returns gives the C.I.O. a dominant majority in the new set-up.

The figures support other indications that the real give-and-take basis of the deal, between officials of the two groups, chiefly favored the C. I. O. The A. C. C. L. got a wholesale lump addition to its membership, revenues and general strength, virtually tripling its size, but kept only a partial voice in direction of the new and larger organization.

Of the seven officers and members of the executive of the new body elected at the convention four were C. I. O. delegates and the others re-elected A. C. C. L. officers.

Advantage to C. I. O.

Net return to the C. I. O. from the deal is that it acquires, holus bolus, an established, actively operating and—most important—strictly Canadian central organization to which to attach its Canadian unions.

The A. C. C. L. was composed entirely of purely national labor unions, operating only in Canada with no outside affiliations. The C. I. O. unions are branches of international unions, all with U. S. headquarters adhering to the C. I. O.

The C. I. O. bodies in Canada also needed, of course, an established and functioning labor federation to link them together.

About a year ago the C. I. O. Canadian unions were expelled from the Trades & Labor Congress of Canada on demand of the executive of the American Federation of Labor, to which most of the T. & L. C. unions are linked. Since then the C. I. O. bodies have been more or less "wandering in the wilderness," with no central Canadian organization beyond a loose-knit and provisional "Canadian committee."

At the same time the recent convention was far from being completely harmonious. Strong objection was taken by many delegates, particularly from A. C. C. L. unions, to the manner in which the merger was negotiated.

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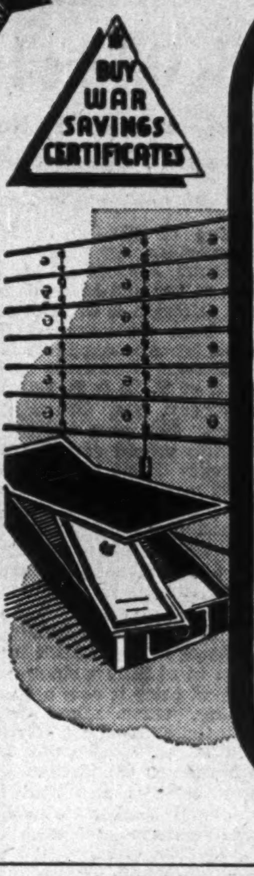

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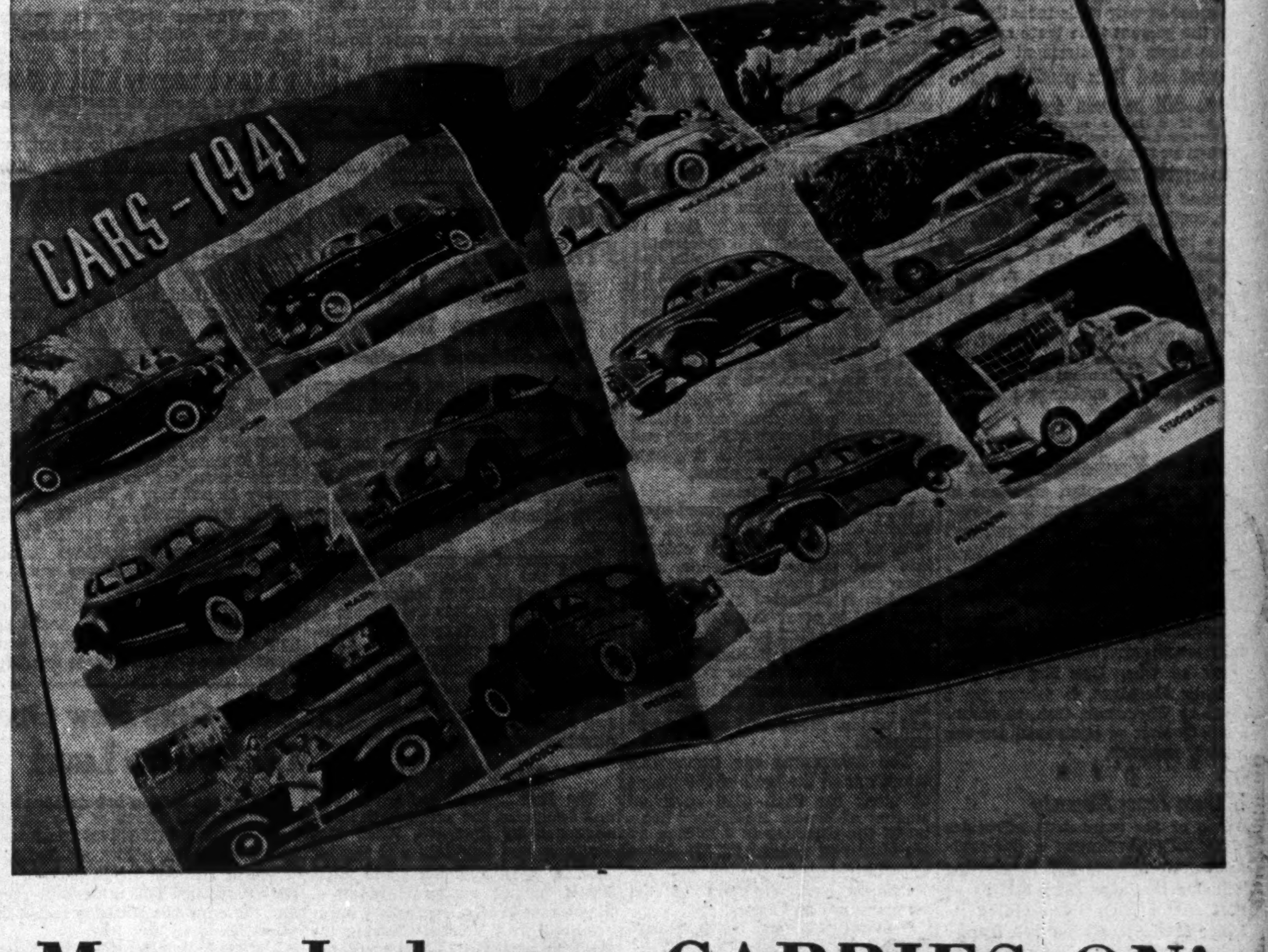

Motor Industry CARRIES ON!

No chapter in the economic history of Canada is more stimulating than the contribution of its automotive industry to the nation's progress and prosperity. The value, socially as well as economically, is incalculable.

And now, under the stresses of war, this industry is carrying on magnificently—forging a mighty "fortress on wheels" for Canada and the Empire.

But in spite of its huge production of war equipment, the Canadian automotive industry continues to serve the thousands in the ranks at home who more than ever need fast and economical transportation in those daily tasks (and occasional escape!) which are so essential to our war effort.

* * *

Maclean's pays tribute to the Canadian automotive industry in its October 15th issue—serving its readers by telling them the news behind the new car news. You'll thrill to the heart lifting story of the industry's great war effort — to the beauty of its new creations born in the travail of war!

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Week in Mining

Junior Golds Take Lead In Latest Market Rally

Several Issues Reach New Highs as Investment Interest in the Market Increases — Several New Deals Reported in Making

Mining shares were again stronger this week with activity extending across the entire board. Spotlight was chiefly on the gold stocks, however, with bulk of the buying going into the junior golds as in other recent upturns. Shares of a number of new producers are stated to have reached stronger hands in recent weeks and this has undoubtedly been a factor encouraging further investment buying.

Upper Canada, Broulan Porcupine and Northern Canada Mines were issues to break into new high ground this week, while other issues such as Kerr-Addison and Chesterville sold close to old highs. As a direct result of improved market conditions, a number of new financing deals are reported to be in the making which may result in an expansion of mining development in the near future.

The rise in gold stocks in some quarters is attributed to the greater degree of collaboration between the United States and Great Britain. It is felt that this closer co-operation effectively disposes of any possible threat to the present position of gold. With either Roosevelt or Willkie elected, these people expect that the position of gold will be reaffirmed because one of the easiest ways to help the Allies is to keep gold at its present level—or to boost it higher.

* * *

Mining Men Meet

The Toronto branch of the Canadian Institute of Mining and Metallurgy will get the "low-down" on the problem of rock bursts at its Oct. 10 meeting at the Engineers Club in Toronto.

Speaker for the evening will be R. G. K. Morrison, a Canadian, who has gained world-wide recognition as an authority on deep mining operations. For the last six months Mr. Morrison has been making a survey of conditions in northern Ontario for the Ontario Mining Association, with particular reference to Kirkland Lake and Sudbury areas.

It is anticipated Mr. Morrison will reveal the high lights of his investigations at the meeting.

* * *

Equipment Deliveries

Delays in deliveries of milling equipment due to preoccupation of heavy industry with pressing war requirements has caused several months delay in the turning over of a number of new mills recently.

At the present time there seem to be no signs of betterment in the situation and it is possible future delays will be even greater, especially if a large number of new properties are developed.

When starting a mill is delayed, a considerable loss in gold production is bound to take place. If a 300-ton mill, costing say $300,000, is delayed three months, gold production of $300,000 is lost assuming an average recovery of around $10 a ton. When supplies of foreign exchange are considered, possible losses of gold output are of great importance. It may even become desirable to import milling equipment from abroad despite adverse exchange and tariffs.

* * *

Foreign Exchange Helps

The cost of foreign exchange in this case would be more than overbalanced by extra gold output; and additional profits would be realized as a basis for taxation. Equipment firms are doing everything they can to co-operate.

Fortunately equipment costs have not risen as expected before the outbreak of war. One English firm, Holman Machines, is setting up a plant at Woodstock, Ont., to ensure a steady flow of equipment for the mining industry.

* * *

Wants Iron Bounty

One of the staunchest advocates of Canada developing a self-sufficient iron mining and fabricating industry is Judge John McKay of Port Arthur, Ont. According to Judge McKay, with an iron bounty ranging up to $3 a ton granted in Ontario, this country might expect the growth of a great iron and steel industry. Many times the bounty on iron would be received back in taxation, he believes.

Other forces are already at work encouraging development of Canada's iron ore resources, Judge McKay points out. The discount on the Canadian dollar raises cost of importing iron ore from the United States and the 10% tax on imports is another factor helping the domestic iron mining industry.

Bidgood Output Rises With Ore Grade Up

Treatment of a higher average grade of ore resulted in greater output for Bidgood Kirkland Gold Mines in September. Recovery for the month amounted to $42,402 from 3,950 tons of ore for an average recovery of $10.73 a ton. In the previous month, $26,431 was recovered from 4,113 tons of ore with recovery averaging $6.45 a ton.

Drawing of high grade of ore running $18 to $23 a ton from No. 12 vein brought up the average grade of ore treated for September. This vein has been opened up for a length of 160 ft. on the 1,025-ft. level and its downward continuation to the 2,025-ft. level is said indicated. On the 2,025-ft. level, south of the main break and 400 ft. east of No. 2 winze, ore grading about $10 a ton has recently been opened.

FRANCOEUR OUTPUT UP

September production of Francoeur Gold Mines showed an increase at $43,975 from 5,590 tons of ore for an average recovery of $7.87 a ton. Output compared with $39,474 from 5,579 tons of ore and average recovery of $7.07 in August.

New Company Bonds Offered

Transcontinental Resources Ltd. Debentures Issued at Par

An offering of $600,000 of 5% 10-year convertible debentures of Transcontinental Resources Ltd. is being made at par and accrued interest by F. O'Hearn & Co. The offering has been underwritten by Metallurgical Investments Ltd.

Transcontinental Resources is a consolidation of T. L. & B. Ltd., a private company, and Oro Plata Mining Corp. The new company has total assets valued at $1,723,684 which includes listed stocks included as at market value of June 18, 1940, and pulpwood and potash holdings which are taken in, according to the official prospectus, "at values based on a conservative estimate of their earning power."

Mine Holdings

Included in mine share holdings is 375,000 shares of Steep Rock Iron Mines taken in at $1.20 a share, although market price is now around $1.50 a share. Other mine share holdings include MacLeod-Cockshutt Gold Mines, Coniaurum, La Luz, and Manikuru Goldfields.

A 30% interest is also held in Transcontinental Timber Co., comprising 30,000 shares included at $600,000 and $30,000 of debentures at par. Transcontinental Timber Co. has 850 square miles on which there are stated to be several million cords of black spruce pulpwood of the finest quality as well as other wood. Contracts for sale of pulpwood have been and are being arranged, it is stated, at rates which indicate a gross return of $8 to $10 millions. Wood is sold on a stumpage basis.

Chemical Interests

Through Bonneville Ltd. the company is interested in extraction of potash and magnesium from brine solution under the salt flats at Bonneville, Utah. The Bonneville company is operating profitably and it is stated that a dividend will be paid this year. A total of 58,919 shares are held in Bonneville and $49,550 of the company's notes, carried at a total of $167,388.

Cash on hand totalling $100,000 brings the company's total assets to $1,723,684. Assets on which no valuation is placed include options on Steep Rock shares at $1 each and on Manikuru Goldfields, a placer operation in British Guiana.

Income Estimate

Income from holdings based upon present dividends and earnings, return of capital, contracts entered into and under negotiation, and from normal development and expansion, is estimated at more than sufficient to cover interest requirements for the first year. Income for the second year is estimated at $75,000 and in the third year at $240,000.

Debentures are secured by a floating first charge on the undertaking and various assets held or hereafter acquired.

The debentures are convertible into stock on the basis of 100 shares of stock for each $100 principal amount of bonds. Authorized capital of the company is 4 million no par shares of which 2,827,000 shares have been issued.

Officers and directors of the company are as follows:

President: Maj. Gen. D. M. Hogarth, president of Transcontinental Timber Co. and Manikuru Goldfields Ltd.; vice-president of Oro Plata Mining Corp.; director, Bonneville Ltd., Steep Rock Iron Mines Ltd., Metallurgical Investments Ltd., etc.

Vice-president: Arthur W. Carr, president, Oro Plata Mining Corp.; vice-president, Metallurgical Investments Ltd.; director, Manikuru Goldfields Ltd.

Secretary-treasurer and director: Lieut.-Col. G. G. Blackstock, president, Metallurgical Investments Ltd.; director, Transcontinental Timber Co., Manikuru Goldfields Ltd., Oro Plata Mining Corp., etc.

Directors

Joseph Errington, president, Steep Rock Iron Mines Ltd.; vice-president, MacLeod-Cockshutt Gold Mines, Manikuru Goldfields Ltd.; director, Oro Plata Mining Corp., etc.

J. H. C. Waite, president, Mining Corp. of Canada; director, Oro Plata Mining Corp., etc.

Lieut.-Col. C. D. H. MacAlpine, president, Aldermac Copper Corp.; director, Oro Plata Mining Corp., etc.

W. H. Englebright, consulting mining engineer; director, Oro Plata Mining Corp., Metallurgical Investments.

A. B. Trites Invests In British Guiana

From Our Own Correspondent

VANCOUVER. — A. B. Trites, formerly one of the owners of Premier Gold Mines, who disposed of his Spud Valley gold mine at Zeballos for $800,000, has acquired a 75% interest in a gold concession in British Guiana. The other 25% was taken by Cuyuni Goldfields, a Vancouver company which already has extensive holdings and a gold mill in operation in British Guiana.

MacLEOD-COCKSHUTT STOCK

MacLeod-Cockshutt Gold Mines has issued a block of 30,000 shares to Mosher Gold Mines in payment for two of that company's claims. The sale was ratified by shareholders of that company recently.

FIRST COCHENOUR DIVIDEND

Cochenour Willans Gold Mines has declared an initial dividend of 3 cents a share, payable Nov. 15, to shareholders of record Oct. 31.

Upper Canada Output Up

Gains Nearly 50% in Third Quarter — Ore Reserves Double

Production of Upper Canada Mines in September and the third quarter of 1940 were new records, President R. R. Brown informs The Financial Post.

While official mint returns have not yet been received, mine figures give production for third quarter at $307,000 from 18,461 tons of ore for an average recovery of $16.63 a ton.

This compares with production in the previous quarter of $231,159 from 18,453 tons of ore for an average recovery of $12.53 a ton, and first quarter output of $229,467 from 17,976 tons of ore, and average recovery of $12.76 a ton.

The company has stepped up its milling rate from 150 to 200 tons daily in response to the Government's appeal for a larger gold output but higher average gold recovery in the third quarter does not represent any attempt to "high grade" the mine. The management believes it can make its best contribution to the war effort by not passing by any marginal material that can be treated at a profit.

Ore Reserves Grow

Development has been stepped up considerably and as a result of recent work ore reserves are estimated at four to five years' supply above the 750-ft. level at 200 tons daily. The company does not release figures on tonnage and grade of ore in reserve but on Sept. 26, 1939, Mr. Brown estimated ore reserves above the 500-ft. horizon to be adequate for at least two years' operations at the 150-ton rate then in effect.

It appears that ore reserves have been more than doubled in the course of a year. Diamond drilling indicates the downward continuation of enrichment to the 1,000-ft. horizon so that possibilities for further expansion of ore reserves are considered good.

Finish Shaft Sinking

Sinking of the shaft to the 1,000-ft. horizon will be completed by the end of the month, giving two new levels for development. The company has carried operations to depth faster than would ordinarily be the case so that development will be well in hand allowing continued operations with a reduced working staff if any shortage of labor for gold mines should result from war.

The management has consistently kept the mine ahead of the mill, it is stated, and the mine is now close to the place where an increase in mill capacity could be made. No decision on this point has yet been made by directors, however. An increase in capacity would require only increased tank capacity as crushing equipment installed is good for as high as 750 tons daily.

Lundmark Issues Financing Plans

Shareholders Are Asked to Approve Deal With Consolidated Smelters

A special meeting of shareholders of Thompson-Lundmark Gold Mines has been called for Oct. 15, in Toronto, to secure approval for the financing of the company to production by Consolidated Mining and Smelting Co., which has extensive other interests in the Yellowknife area.

Financing of the company is to be carried out by means of loans. If more than $350,000 is required Ventures Ltd. comes into the picture in advancing of further money. Management of the property is to be in the hands of Smelters until three years after repayment of all loans and the company will be entitled to two representatives on the board of directors during that period.

Give Up to $600,000

The first $350,000 for developing and equipping the property is to be advanced by Smelters. After that Ventures and Smelters will further loan in equal amounts up to $100,000 if further money is required. Smelters is to advance further funds required with Ventures having the right to participate. Loans are not to exceed $600,000 without the consent of all parties.

Smelters is to get back its $350,000 out of first profits. After repayment of any additional loans, the investment of the company, amounting to $467,209, will be liquidated out of profits.

After all loans are retired, the company may be reorganized with new shares allotted on the basis of loans made to the company and money already invested in the undertaking. Alternatively, Thompson-Lundmark may elect, with the consent of Consolidated Smelters, to form a new company with the share distribution on the same basis. Consolidated Smelters has the right to choose a division of profits on the basis of the total of loans to the total of loans and the company's investment.

Hudson Bay Prospects In Far Northland

Members of a survey party employed by Hudson Bay Mining and Smelting Co. arrived back at Flin Flon by plane recently after completing work in the barren lands farther north.

The party of eight prospectors and a radio operator was in charge of Tom Creighton, veteran mining man. The area where prospecting was carried out this year was approximately 700 miles north of Flin Flon.

Negus Mines showed an increase in production during August as shown below:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Aug.	1,760	57	37.46	65,633
July	*	*	*	62,066

*Not available.

Week in Oils

Work on Plains

From Our Own Correspondent

CALGARY.—Two Alberta Plains structures—the Vermilion field 110 miles east of Edmonton, and the Steveville field 125 miles east of Calgary—took their place in the oil news spotlight this week.

Three offset wells to the Battleview No. 2 well, discovery producer in the Vermilion field, were expected to go on production late this week. By the same time two newly located wells were slated to spud in on this recently proved source of heavy gravity crude oil.

At Steveville this week Standard Oil of British Columbia spudded in its third drill-venture in this area and Anglo-Canadian Oil Co. resumed operations at its Steveville No. 2 well, with prospects for proving commercial production in this field brighter than ever before.

* * *

Expect Cheap Production

The three recently completed wells in the Vermilion field appear to be assured of commercial oil production which, in this shallow, cheaply drilled field, might be described as anything over 25 bbls. per day. Last week at the Vermilata-Frankview No. 2 well, according to Western Drilling Co. officials, crude oil rose 900 ft. in the hole.

While no accurate estimate of the rate of oil influx was available, it appeared certain the well would equal the Battleview No. 2 producer, which returns 60 to 65 bbls. per day when on pump. A gravel packer and pumping equipment was being installed at the Vermilata well last week end, and pumping was scheduled to get under way early this week.

* * *

Good Saturation

The Western-Battleview No. 1 well was also expected to start pumping test this week. At the Richardson No. 1 well, which completed drilling to 1,825 ft. on Sept. 30 in the record drilling time of 30½ hours, the crew was expected to start test this week end. Good oil saturation was shown in the cores recovered at Western-Battleview and Richardson, and the operators are confident of commercial production.

Vermilata-Frankview No. 2 was completed at 1,830 ft. and encountered the oil sand at an elevation of 254 ft. above sea level. Western-Battleview No. 1 depth was 1,859 ft. and elevation of the oil sand was 259 ft. above sea level. Richardson No. 1, completed at 1,825 ft., topped the oil sand 255 ft. above sea level. Elevation of the oil sand at the discovery producer, Battleview No. 2, was 252 ft. above sea level.

* * *

Start Conestoga Well

The Western Drilling Co. rotary rig, used to drill the three recently completed tests, has been shifted to a new location in L.S.D. 2 30-50-5w4, to be known as Conestoga No. 1. This well was expected to be drilled this week. A second new location for Vermilion, to be known as Alberta-Southern No. 1, has been selected in L.S.D. 14 20-50-5w4, and cable tool equipment was being installed early this week.

Should the three newly completed wells prove as satisfactory as indicated, it is safe to predict that the Vermilion field will see a drilling spurt comparable with that in Turner Valley. The size of the wells and their ultimate recovery will not compare with the yields from the deep Turner Valley limestone producers. But the quick, shallow and cheap drilling at Vermilion will undoubtedly prove a strong inducement to many a company with a rig on its hands, and to investors with money to put into a likely looking oilfield investment. Providing care is taken in drilling to ensure shutting off of water horizons found above and below the lower cretaceous oil sand (failure to take this care ruined earlier Vermilion and Lloydminster area tests), there is now every reason to believe that Vermilion drilling ventures can pay off the costs of development and return a profit.

* * *

Standard in Steveville

Standard Oil of British Columbia spudded in its C.P.R.-Princess No. 2 well last week end, using heavy duty Diesel-electric rotary equipment. Drilling is now proceeding below 400 ft. Contractor for the test, Standard's third venture in the Steveville field, is the Dominion Drilling Co. Fuel oil is being obtained from Standard's Princess No. 1 well, three miles to the northwest. Princess No. 2, located in L.S.D. 3 13-20-12w4, is in the trough of the two "structurally highs" tested by Princess No. 1 and the Anglo Canadian Steveville No. 2 well, which is five miles due east of Princess No. 2. The new well is expected to log about 100 ft. deeper than these two, and is considered to have a good chance of obtaining commercial oil production in the Madison and underlying Devonian limestones.

* * *

Anglo Sends in Crew

Drilling Contractors Ltd., contractors for the Anglo-Steveville No. 2 well, sent a crew to the location early this week to do preliminary work in readiness for resumption of drilling. Rotary equipment will be sent in. The well was carried last year to the top of the Madison limestone at 3,262 ft., at which point a gas flow of over 11 million cu. ft. daily and considerable oil and water in emulsion was encountered. In view of the oil and gas showings in the Madison and Devonian at the Princess No. 1 well, Anglo-Canadian has decided that prospects in the same formations at its Steveville No. 2 well are good. Anglo-Canadian Oil Co. holds something like 66,000 acres in the Steveville area, while Standard Oil has holdings of about the same extent.

* * *

Turner Completions

At least two of Turner Valley's recently completed wells are expected to rank among the better-than-average producers, it was indicated this week. Pacific Petroleums No. 5, which showed a flow of 1,632 bbls on 1 in. choke flow test following acid treatment, is expected to receive an allowable of about 500 bbls. per day—a rate which recent tests show is an efficient production rate for this well.

Royalite No. 52, completed two weeks ago, is reported officially to have shown a flush production of 46 bbls. hourly—a rate of 1,104 bbls. per day—following light acid treatment. The well is now on Conservation Board test and allowable will be set in a few days.

A third recent completion, Okalta Oils No. 9, is undergoing a series of acid treatments to break open the tight limestone formation.

Uchi Gets New Ore On 300-ft. Level

A new ore section is being opened by Uchi Gold Mines at the 300-ft. level which shows values of around $8 or $9 a ton across an average width of 7 ft. for the 25 to 30 ft. so far opened up. This ore is still open and the mine has not been tested on other levels in this area.

The road from the Hanalda section of the property to the Uchi mill has been completed and deliveries of ore from the Hanalda workings were scheduled to start last week. It is anticipated that the road will be completed on to the Jalda workings and that ore will be shipped from both shafts before the end of the present month.

It is expected that the 300 tons of ore daily to be drawn from these two workings will have the effect of raising grade somewhat.

Drawing ore from the Hanalda and Jalda workings will allow more time to be spent on development at the main Uchi mine. At present more than 800 tons daily is going through the mill.

Export of Copper To Japan Cut Off

Shipments of copper and copper concentrates to Japan were barred by the Dominion Government this week. No direct reference was made to Japan in the Ottawa decree, the statement merely saying that all Canadian copper was now needed to meet Canadian and Empire needs and allied munition contracts in the United States.

Two companies are affected by the new ruling. Granby Consolidated has been shipping copper concentrates to Japan, while the Howe Sound Co. has been shipping its concentrates to the United States for treatment with copper output marketed in Japan. Construction of a smelter in British Columbia for treatment of copper concentrates has been mooted for some time and Granby has been making preliminary surveys for erection of a smelter.

Bonetal Starts Shaft Work

Broulan Porcupine Aids In Financing — To Use Neighbouring Mill

With diamond drilling now showing gold values over a length of 900 ft., Bonetal Gold Mines has started sinking a shaft on its property in northeastern Porcupine area, west of Hallnor Mines and Broulan Porcupine Mines. Finances for underground work are being provided by Broulan Porcupine Mines and associated interests, the Bonetal and Broulan managements being closely identified.

Decision to sink a shaft follows a programme of over 12,000 ft. of diamond drilling which has outlined two ore zones on the Bonetal property. One of the ore zones is believed to be the western extension of the Hallnor zone and is in sedimentary formation south of the contact. The second ore zone is in greenstone formation 250 ft. north of the contact.

The three-compartment shaft has been located a short distance west of the boundary with Hallnor where overburden is only 15 to 16 ft. Shaft sinking equipment has been provided and a hoist on order is capable of operating to 2,000 ft. depth. Plans call for putting down the shaft to 600 ft. with levels at 275, 400, and 525 ft. depth.

Financing Unique

An unusual feature of the financing is the fact that no allowance is made for construction of a mill. Plans call for treatment of ore at a neighboring mill when this stage is reached. It is believed this will save a great deal of time as well as money in reaching production.

The management expects shaft sinking will be completed and underground development will be under way by next April. Ore shipments can be made almost as soon as work gets into ore values.

Financing Details

On Oct. 1, 1940, net working capital on hand amounted to over $15,000. A total of 300,000 shares have been underwritten at 25 cents a share which will provide the treasury with $75,000. In addition to this there are 900,000 shares under option to provide the treasury with a further $255,000 if fully taken up. It is believed that this financing will be adequate for all requirements.

Authorized capital of the company is 3 million shares of which 1,710,505 shares were issued on Oct. 1. If all shares are taken up under the financing agreements, slightly over 2.9 million shares will be outstanding.

Several good ore intersections [illegible] have been had since drilling results were last reported by The Post. Hole No. 25 completed above hole No. 21 which gave 0.68 oz. over 9.8 ft. and 0.3 oz. over 6.5 ft., returned 3.5 ft. averaging 0.43 oz. starting at 460 ft. in the hole. Hole No. 22, 100 ft. west of No. 21 gave 1.5 ft. averaging 0.22 oz. and 8.5 ft. running 0.07 oz. Hole No. 24, 100 ft. west of No. 22 again, gave one foot at 0.27 oz., 9.5 ft. running 0.33 oz., and 5.3 ft. averaging 0.28 oz.

Drill hole No. 27, 100 ft. west of No. 24, showed 4 ft. of core averaging 0.23 oz. and 14 ft. running 0.08 oz. a ton.

Drill hole No. 30 which has just been completed 100 ft. west of No. 27 shows visible gold in seven places with sections of ore grade including 3.7 ft. averaging 0.35 oz.

Important confirmation of the continuation of values to depth is given by hole No. 32 drilled 300 ft. below hole No. 18. This new hole shows considerable visible gold with 3 ft. averaging 0.28 oz. and one foot averaging 1.03 oz. per ton. Drill hole No. 18 returned 7 ft. averaging 1.04 oz. and 3.2 ft. running 0.14 oz.

Drifting carried out from the Hallnor workings some time ago showed 420 ft. of ore running 0.30 oz. uncut over 6.5 ft.

GOLD BELT IN ORE

Development on the 14th level of Gold Belt Mining Co. is stated giving good ore, results on veins opened being better than mine average. Crosscutting to the 3,500 vein on this level is expected to reach its objective about the middle of the month.

Naybob Extends New Ore Body

No. 3 Vein Proved From 400 to 700-ft. Horizon So Far

Recent lateral exploration on three levels of Naybob Gold Mines is stated to have disclosed vertical continuity of the company's No. 3 ore shoot.

Drifting on the 400-ft. level has now been carried on this vein a distance of 150 ft. in ore. During removing of backs, a total of 1,100 tons of ore were secured averaging $13.71 a ton. On the 550-ft. level visible gold is stated showing in every round for 50 ft. Raising from the 550-ft. level to 400 ft. has been completed with appreciable amounts of visible gold appearing in a narrow vein.

Three diamond drill holes from the 710 stope at the 600-ft. horizon yielded values up to $10.50 across 3 ft. On the 700-ft. level a flat hole, drilled above this at a 45 degree angle, intercepted the vein which averaged $16.10 across 3 ft. Continuity is believed established by these drilling results from the 400 to the 700-ft. horizon while there are good possibilities of extending the ore body both laterally and at a depth.

KOOTENAY BELLE

Production of Kootenay Belle Gold Mines showed an increase in September amounting to $48,000 from 3,085 tons of ore compared with $42,500 from 3,277 tons of ore in the previous month.

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Officers and Directors
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Vice-President: ARTHUR W. CARR
Directors: JOSEPH ERRINGTON, J. H. C. WAITE, LT.-COL. C. D. H. MACALPINE, W. H. ENGLEBRIGHT
Director and Secretary-Treasurer: LT.-COL. G. G. BLACKSTOCK

Share Capitalization
Authorized - - - - - 4,000,000 shares of no par value.
Issued - - - - - - 2,827,000 shares

Funded Indebtedness
Authorized and Issued - - - - $600,000 (this issue) 5% Ten Year Callable Convertible Debentures.
Principal and Semi-Annual Interest (Feb. 20-Aug. 20) are payable at par at any Branch in Canada of The Royal Bank of Canada.
Debentures will be issued in "Fully Registered" form only, due to the callable-convertible feature.

Registrar and Transfer Agent
THE TRUSTS AND GUARANTEE COMPANY, LIMITED
Toronto

THE COMPANY is a consolidation of certain of the assets of T. L. & B. Limited, a private company, and of the assets and undertaking of Oro Plata Mining Corporation Limited. These two groups have been closely associated in their operations for some years past and the assets have, to a large extent, been jointly developed. Their policy has been directed towards the creation of real values and assured earning power under any conditions. The principal holdings are in companies possessing large proven reserves of the following basic commodities:—gold, iron, pulpwood, potash and oil. Metallic magnesium (a most important alloy in aircraft construction) is expected to be added to this group of products shortly.

The Company is not an investment trust, but is concerned with the creation of new enterprises based on the development of natural resources. Over the next few years a tremendous expansion of production is expected from the principal holdings, and this is likely to make the conversion feature of the debentures of great value.

MANAGEMENT and direction of the Company is in the hands of those who have been principally instrumental in discovering, acquiring and developing the most important holdings, and their constructive activities in mining and other fields are well known.

ASSETS

	Securities		Valuation
GOLD AND OIL			
MacLeod-Cockshutt, Coniaurum, La Luz, Manikuru Goldfields, Brown Oil, Pfd., etc., etc.			$ 376,296
IRON			
375,000 shares Steep Rock Iron Mines, Ltd.			450,000
PULPWOOD			
30,000 Transcontinental Timber Co. Ltd. shares		$600,000	
$30,000 Transcontinental Timber Co. Ltd. Debentures		30,000	
			630,000
POTASH			
58,919 Bonneville Ltd. shares		$117,838	
$49,550 Bonneville Ltd. notes		49,550	
			167,388
CASH			100,000
TOTAL VALUATION			$1,723,684

PRICE: $100.00 and Accrued Interest to Yield 5.00%

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Space does not permit publication of full details but detailed information will be forwarded upon request

The A to Z of Canada's New Mines

Recent Batch of Producers Stand Up to Early Predictions Remarkably Well—Review Finds Operators Conservative

By GORDON M. GRANT
Staff Writer, The Financial Post

One of the outstanding facts of gold mining in Canada the past year has been the remarkable way new producers have lived up to pre-production expectations.

In many cases pre-production calculations have proved ultra-conservative; actual results have been far better than suggested by the management before milling commenced. Quiet stock markets have perhaps disguised how the new gold mines have "come through," but if present indications mean anything, shareholders are going to receive handsome dividends even if share prices do not show any important appreciation.

Dividends have perhaps been slower in starting than for new gold mines of previous years, but this is no reflection on the character of the gold mine entering production since Oct. 1, 1939. Mills have been financed by bank loans, bond and note issues and repayment of borrowings has usually meant that dividends had to be postponed. Borrowing to reach production, however, has meant that fewer shares need be issued to reach production and dividends are expected to be just that much larger when they eventually do start.

While repayment of borrowed money is deferring dividends on a number of issues, two companies have been able to start dividends within one year of their mills turning over. Upper Canada Mines has been able both to repay money borrowed for mill erection and to start dividends in less than 12 months. Broulan Porcupine Mines has been able to raise not only enough money to erect its own mill by treating ore at the leased mill of Mace Gold Mines, but it has also been able to pay an initial dividend of three cents a share. Two or three other companies appear likely to start dividends shortly.

Aunor is Impressive

Although it has yet to start dividends, Aunor Gold Mines has exceeded expectations held out before its 300-ton mill turned over last Jan. 17 by a considerable margin. Grade of ore around $10 was suggested by the management last year. In response to the appeal of the Dominion Government for greater gold production, however, mill heads have been raised to over $16 a ton while the mill is treating in excess of 400 tons daily. With total costs up to June 30, less than $7.50 a ton, it appears that about half of current production is profit.

Over a long period, of course, it is not anticipated the company will treat the high average grade of ore now going through the mill. High grade stopes have allowed keeping mill heads at an impressive figure, but there is no certainty that similar high-grade ore will continue to be opened up. Expanding ore dimensions, however, suggests that an increase in mill capacity may not be far distant. Besides opening up considerable extensions to present ore lengths, diamond drilling to depth has returned important values. When development of new lower levels is completed, ore reserves could quite easily be at the point where a mill step-up would be felt justified. Capacity of the present plant can be doubled at little more than the cost of the additional machinery.

When Aunor reached production the company did not owe a cent of money. As substantial profits have been achieved since, it appears likely working capital is close to the point where dividends will be started unless expansion requires heavy capital expenditures.

Broulan Betters Estimates

Before production was commenced by Broulan Porcupine Mines, president Bert W. Lang informed The Financial Post that mill heads of better than $10 a ton were expected. Actual recovery is now over the $10 mark with recovery in the June quarter $10.95 a ton. Operating costs of $5 to $5.50 a ton were believed likely but here again estimates proved conservative. In the June quarter operating costs were $4.71 a ton, well under the estimated figure; operating costs have run as low as $4.50 a ton.

The company is now building its own mill of 300 tons—plus—capacity. This is expected to effect a saving of $1 a ton in operating costs with a cost figure of $3.50 a ton hoped for. In addition to using its own mill which is expected to turn over on or about Oct. 15, the company may continue using the leased Mace mill.

Ore reserves have increased substantially since the end of last year but no recent figure is available on the extent of the increase.

Cochenour Stands Up

Before operations with a new 150-ton mill were commenced by Cochenour Willans Gold Mines late in 1939, the management estimated recovery would average around $14 a ton. Although tailings loss was unexpectedly high, running up to $3.50 to $4 a ton when the mill was first turned over, installation of flotation equipment last spring ironed out the recovery problem and mill feed has been giving a $14 recovery recently. In August, mill heads were up to $16.80 a ton, taking gold at $35 an ounce rather than the current price of $38.50 an ounce.

The Cochenour management did not feel that it was possible to estimate future costs before milling was started. As it has turned out, this policy proved wise. The necessity of using flotation equipment and of shipping concentrates has made costs a little higher than might have been considered probable before the mill turned over. Costs for the first eight months of this year are reported to average $8.81 a ton, including all charges except taxes. August costs included $1.50 a ton for flotation treatment, shipping concentrate and for smelter treatment. Independent sources had anticipated total costs of around $7 a ton before milling started as reported by The Post last October. A further reduction in costs is likely as the operation becomes more seasoned. After allowing for all charges, it is obvious a good margin of profit is being realized.

When milling was started, it was estimated that there were three years' ore available at the milling rate of 150 tons daily. Fine ore exposures recently suggest that the ore position has been more than maintained and that ore reserves may show a considerable increase at the end of this year.

Upper Canada Impressive

When Upper Canada Mines turned over its own 150-ton mill last October, the management had a good idea as to what costs and recovery would be, due to previous treatment of its ore in the leased mill of Morris Kirkland Gold Mines in the preceding 11 months.

From this information the management estimated that mill heads would average better than $14 a ton while costs might be around $8.50 a ton before allowance for taxes. Recovery early last summer was as high as $16 a ton and recovery since then is stated to have been stepped up considerably to meet the request of the Dominion Government for as much new gold as possible. Costs before taxes were $9.36 a ton in the seven months ended April 30, 1940, but there has been a considerable reduction since then. Operating costs are down and there is no longer any interest charge as all indebtedness has been retired. The company paid its first dividend of 3 cents a share Aug. 31, less than a year after the company's mill first turned over.

Gold Fields Growth

Results at Malartic Gold Fields have been well up to the management's expectations since milling was started last December. Average recovery so far this year has been over $9 a ton—the figure the management had estimated for grade of ore to be treated. While the mill had a rated capacity of 300 tons daily, capacity has proved conservative with 400 tons of ore daily put through the unit with little difficulty. So satisfactory were development results during the period of mill construction that it was decided to step up mill capacity to 800 tons daily soon after milling operations first commenced.

Sinking of the shaft to the 750-ft. horizon was completed recently and it is anticipated that broad development at depth will soon be under way. As ore was encountered for a distance of 100 ft. in the shaft, the downward continuation of ore appears quite certain.

No estimate of expected costs was made by the management before milling operations were commenced. There had been little time for preparation of the mine for milling before the mill turned over and wide fluctuations in costs appeared to be likely. That operations have proved really profitable, however, is unquestionable. Operating costs were down to as low as $3.47 a ton last January.

Berens River Results

Berens River Mines turned over its new 225-ton mill last September, and from results to date the management reports that the original estimates of ore reserves have proved conservative.

Production has given a substantial margin of profit and working capital showed an increase from $304,834 as at Dec. 31, 1939, to $504,138 on June 30. With the current rate of output and profit, it is anticipated that the $600,000 of notes issued to bring the property in production will be retired in a relatively short period.

Present plans of the company envisage doubling the present shaft depth to the 1,000-ft. horizon.

Jason Stands Up

With the aid of hydro-electric power Jason Mines has been able to establish a profitable operation after a predecessor was unable to make a go of it. Recent profits have allowed the company to arrange for retirement of some $140,000 of indebtedness carried over from previous operations.

Mill heads recently have averaged over $20 per ton with recovery running around the $18 mark. Operating costs of $9 were considered likely before the mill turned over last July. Now it appears that the $9 figure may be on the conservative side.

Powell in Production

Powell Rouyn Gold Mines, like Upper Canada, has a new mill but has also a previous production record. While its new 350-ton mill commenced operation only Sept. 9, the company has been shipping ore to Noranda smelter since June, 1937. From the mining angle, officials know fairly well what mining costs are going to be. The mill has been treating closer to 400 tons than the 350-ton rated capacity.

Decision to build the company's mill followed a decline in the silica content of ore shipped to the Noranda smelter. Noranda desired the ore because of its silica content and with this decline, the ore is less desirable from the Noranda point of view.

Wood Cadillac

From the beginning of production last December to the end of last July, Wood Cadillac Mines recovered $270,240 from 35,890 tons of ore treated, an average recovery of $7.53 a ton. Operating profit for the period was $107,282 before allowance for income tax, pre-production expense and depreciation.

For the first six months, operating costs averaged only $4.65 a ton and this figure was reduced to $3.99 a ton when allowance was made for ore broken in excess of that milled.

Central Zeballos

Results obtained at Central Zeballos Gold Mines by Reno Gold Mines indicate construction of the 25-35 ton mill on the property was fully warranted. Production has averaged around $25,000 monthly with average recovery around $25 a ton. As operating costs have only been around $11 a ton, it is apparent a good margin of profit is being realized. Actual mining has shown more ore than was anticipated above the second level while drifting at depth has been opening up fine ore recently.

Faymar Retires Bonds

Results at Faymar Porcupine Mines from April 1—the beginning of milling—to July 31, 1940 were fully up to the expectations of the management. Although half the ore treated came from the surface dump, including a considerable amount of development rock, output for the period totalled $182,407 from 22,372 tons of ore milled for an average recovery of $8.15 a ton.

Proof of the substantial operating profits realized was indicated recently when the company retired the first $20,000 of its $400,000 of bonds issued to meet the cost of mill construction. Consideration is now being given to the carrying of the shaft to greater depth.

Other Operations

These are the chief mills which have turned over since Oct. 1, 1939. Several others have started recently, Devon Gold Mines, Orelia, Upper Seine, but there is little information on results as yet. A 125-ton test mill was placed in operation by Consolidated Smelters on its 125-ton Cordova mine in eastern Ontario within the last year but it was decided to transfer the mill elsewhere when recovery was found uncommercial. Cordova milling was in the nature of a test and the management was not surprised when recovery was low.

Profit at Berens Is Half Output

Recent production of Berens River Mines has been running approximately half operating profit, The Financial Post is informed. Operating profit is currently in excess of $55,000 monthly. Output was $101,746 in September compared with $114,694 in August.

On September 30, the company retired $100,000 principal on an income note issue, reducing the total to $400,000. In addition during the current year, the company has paid off all accrued interest, amounting to $100,489. Working capital was increased substantially during the first half of 1940.

Profit is Lower For Anglo-Hur.

Earnings Equal 12 Cents a Share for 1940 Against 14 Cents in 1939

Although dividend income showed a considerable increase, net profits of Anglo-Huronian for the fiscal year ended July 31, 1940, were lower at $182,474, compared with $209,773 in the preceding fiscal year, due to a decline in profits realized on sale of securities.

Earnings were equal to 12 cents a share in 1940 compared with 14 cents a share for 1939.

Taking securities at market value, working capital amounted to $4,929,584 on July 31, 1940, compared with $6,480,304 a year previously. Taking assets at "fair" value, market value was $3.47 a share on July 31, 1940, or $3.23 a share taking only cash and marketable securities.

The company retains substantial interests in Kerr-Addison Gold Mines, Lamaque Gold Mines, Sigma Mines (Quebec) and Yukon Consolidated Gold Corp., all of which are paying dividends. Development of Musketeer Mines is being undertaken jointly with Pioneer Gold Mines, but development of veins has not advanced sufficiently to permit a final conclusion.

Mace Gold Mines, which holds the old Vipond mine, is to have its property developed from the Hollinger workings, with Hollinger given an option on all unissued shares. At Pascalis Gold Mines a shaft is now being sunk to 1,050 ft. for development. Work is at present being continued on the properties of Amphi Gold Mines and Vicour Gold Mines.

Income and Surplus Account
Years Ended July 31

	1940	1939
	$	$
Dividends earned	222,667	158,731
Int. & exch. (net) ...	69,225	58,810
Sundry earnings	......	4,017
Total oper. revenue ..	291,892	221,558
Less: Gen. admin. ...	81,132	88,130
Examination w/o ..	43,367	7,043
Depreciation	851	848
Net oper. profit	166,541	125,537
Add: Securities profit	29,677	114,539
Less: Taxes	13,744	30,303
Net profit	182,474	209,773
Add: Prev. surplus ..	2,023,221	2,169,588
Profit on equip. ...	2,131	......
Less: Res. for min. int.	......	356,140
Bad debt w/o	106	......
Surplus forward	2,207,720	2,023,221
Earnings per Share & Dividend Record:		
Earned	$0.12	$0.14
None paid.		
Working Capital		
Current assets	4,988,558	6,540,904
Current liabilities	58,974	60,600
Working capital	4,929,584	6,480,304

*Taking securities at market value.

Cariboo Lifts Mill Capacity

Earnings Show Increase in Latest Quarter — Ore Reserves Hold

From Our Own Correspondent

VANCOUVER.—Mill extension at Cariboo Gold Quartz mine at Wells, B.C., has been completed and all the new equipment installed, allowing the company to begin raising the mill tonnage to 325 a day. This is the immediate objective, according to Randal R. Rose, managing director.

Ore reserves at the end of the half year period (July 31) amounted to 423,025 tons averaging 0.425 oz. gold per ton. This is a decrease of 5,563 tons as compared with the figures for the beginning of the year and is largely accounted for by the fact that exploration work was increased at the expense of development in the various ore zones during that period.

Crosscut Lengths

On Aug. 31 the length of the 15-Main crosscut was 8,924.8 feet and of the 20-Main crosscut 1,366.5.

Bullion produced during the first seven months of the year totalled 23,447 ounces, valued at $902,709 (basis of $38.50 per ounce).

Earnings for the three months ended July 31, 1940, amounted to $403,707 or 7.554 cents a share compared with $344,912 or 5.594 cents a share in the preceding quarter.

High Yield is Reported By Lowhee Hydraulic

From Our Own Correspondent

VANCOUVER. — Lowhee Hydraulic, near Barkerville in British Columbia's Cariboo district, will have one of the best returns in its 70 years of activity when the season's operations are terminated this month.

More than 2,600 ounces have been taken from the Lowhee sluice boxes so far this season, and with ample water in the reservoirs and evidence of additional water this fall, the Lowhee yield will probably exceed $100,000.

The hydraulic season in the Cariboo has been the best experienced in the memory of old-timers, despite the lowest snowfall on record during the past winter. A late run-off, coupled with heavy and consistent rains during the late spring and the month of July, when it rained 26 days, kept a continuous supply of water for the monitors.

Joe House, manager of Lowhee, says that with more than 20 miles of ditch encircling Cow Mountain he is able to catch side streams along its entire length and thus conserve the reservoir supply.

Jodelo Lets Contract For Diamond Drilling

Following receipt of a "substantial sum of money from American interests," Jodelo Gold Mines has let a contract for diamond drilling to test property possibilities around the 1,000-ft. horizon, officials report.

It is now planned to investigate the ore zone which was opened up previously at 75 ft. in the west drift at the 100-ft. level. A width of 52 ft. was stated to be indicated at that point. A preliminary geophysical survey is also planned in conjunction with the drilling.

The agreement with American interests calls for expenditure of $80,000, with additional advances to be made when and if production plans are decided on. The company's property is in South Porcupine.

Straw Lake Issues Financing Details

Further details on new mine financing have been made public by Straw Lake Beach Gold Mines, which resumed milling operations recently, as reported in The Post last week.

An additional $15,000 of series "B" income debentures has now been issued. These debentures carry no interest but a bonus of 6,666 shares of stock is given with each bond together with an option on an additional 6,666 shares of stock to Aug. 1, 1941. Holders of series "A" debentures have subscribed for $7,500 of series "B" debentures and their option on 49,995 shares at 5 cents has been extended to Aug. 1, 1941.

A total of 99,990 bonus shares have been issued and also 20,000 shares as a commission on debenture sale. A two months extension has been given under the company's option financing agreement. Issued capital is 3,555,645 shares out of 4.5 million authorized.

Mining Concentrates

Argosy Gold Mines creditors have been notified that their claims will be paid in full immediately provided they are willing to forego interest since date of bankruptcy.

* * *

Brock Gold Mines is to have electric power installed, according to R. R. Brown, managing director and consulting engineer. Right of way for the power line has been cut in from the main transmission line, three-quarters of a mile away. Plans call for the putting down of the shaft to a depth of 625 ft. with levels established at 250, 375, 500 and 625 ft. depth.

* * *

Chesterville Larder Lake showed a considerable increase in its production in September:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
September	20,879	696	5.65	118,100
August	20,628	665	5.33	109,960

* * *

Central Matachewan Mining Corp. announces that arrangements have been made with a view to providing sufficient finances to complete a diamond drilling programme. Plans call for the carrying out of 5,000 to 6,000 ft. of diamond drilling before consideration is given to shaft sinking. Present work is being concentrated on the company's Baden property where electric power is available. Another group is also held in Powell twp., also in the Matachewan area. The company owns its own diamond drill.

* * *

Canadian Exploration Co. has a crew of 15 men working at the old Wisconsin mine, Midge Creek, in the South Kootenay Lake district, B.C. H. L. Batten of Vancouver is opening up the property.

* * *

Dumico Gold Corp. has called a special meeting of shareholders for Oct. 18 to consider an arrangement with Beattie Gold Mines and D. H. Angus for sale of assets to a new company to be formed by Beattie Gold Mines. Authorized capital of the new company will be 4 million shares of which 1.2 million will be issued to Dumico on the basis of one new share for each three old shares held. Beattie is to purchase 300,000 shares of the new company and to have options on 2.3 million shares of the new company's capital at an average price of 25 cents per share.

* * *

Dome Mines showed little change in production for September:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
September	51,700	1,723	12.75	659,210
August	52,000	1,677	12.70	660,452

* * *

Euphrates Mining Co. has moved its mill from the Ottawa Mine at Slocan City, B.C., and is installing it at its property about nine miles from Nelson. Tungsten values have been reported on this property.

* * *

Hallnor Mines has declared an interim dividend of 15 cents a share, payable Dec. 2, 1940, to shareholders of record Nov. 15. A dividend of similar amount was paid Aug. 15.

* * *

Kootenay Belle Gold Mines has taken over the old Golden Belle mine in the same area and reports satisfactory development.

* * *

McIntyre Porcupine Mines has declared a quarterly dividend of 55½ cents a share payable in Canadian funds on Dec. 2, 1940 to shareholders of record Nov. 1. Previously quarterly dividends at the rate of $2 per annum had been paid in United States funds. An extra dividend of $1.11 per share Canadian funds has also been declared payable Jan. 2, 1941, to shareholders of record Nov. 1. A year-end dividend of $1 a share United States funds was paid on Jan. 2, 1940.

* * *

Pandora Cadillac Gold Mines is reported to have produced about $50,000 worth of gold since the company started operations. The former Amm mill is being fed from Amm workings in the No. 4 shaft area, plus ore from Pandora's own dump. Operating profit for the period from July 16 to Aug. 31 is estimated at $11,000 before write-offs. Payments on $27,750 cash to be paid to Amm Gold Mines and $112,000 to Mill Builders Ltd., are scheduled to start Jan. 12, 1940.

* * *

Paymaster Consolidated production for September was slightly lower than the record August output with one day less in the month:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
September	17,130	571	8.67	148,540
August	17,466	563	8.78	153,468

* * *

Pamour Porcupine Mines has declared an interim dividend of 6 cents a share payable Dec. 2, 1940, to shareholders of record Nov. 15. A dividend of similar amount was paid June 1, 1940.

* * *

Siscoe Gold Mines production was somewhat lower in September.

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
September	19,241	641	7.47	143,823
August	20,036	646	7.58	151,861

* * *

Sheep Creek Gold Mines has purchased the mine and mill of Lucky Jim Lead and Zinc Co. through its wholly-owned subsidiary, Zincton Mines Ltd. It is stated that plans call for work to get under way immediately. The mill is said to be in good condition and it is hoped that lead and zinc concentrates for sale in the United States will be in production shortly.

* * *

Sigma Mines (Quebec) production was slightly lower in September:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
September	23,454	782	8.21	192,475
August	24,071	776	8.98	216,228

* * *

Scott Chibougamau Gold Mines is reported to be securing good results in current diamond drilling on its Smith property in the Chibougamau area. Drilling was resumed in an effort to extend the high-grade showings opened at surface and in a shallow shaft. Five holes have so far been drilled with three intersections made, one two feet wide and the others eight feet wide. Assays are not yet available.

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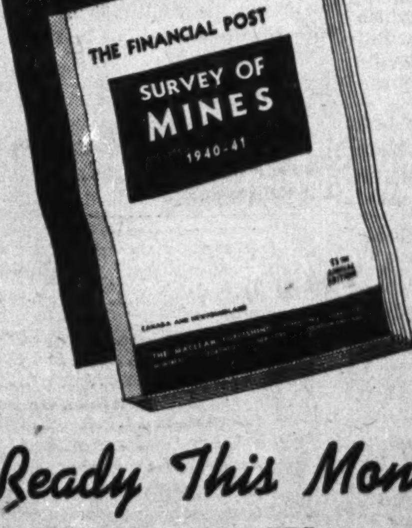

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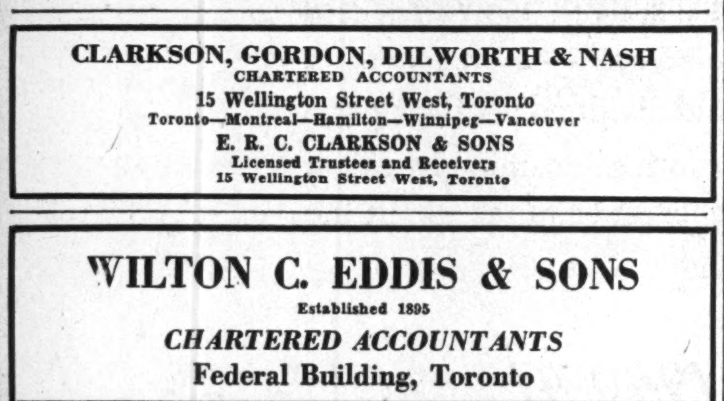

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Taxman's Share Near 90%

Balance Left For Shareholders in Some Cases Would be Very Small

By A. D. ELLWOOD
Investment Editor, The Financial Post

A Canadian company can be called upon to pay 84.5% of its entire taxable income in corporation income taxes this year.

If a company paid its entire provincial income taxes in the western provinces this theoretical peak could reach 89.5%.

If you add to this the various capital taxes, franchise taxes, place of business taxes and the multitude of other taxes that are imposed, the balance which might be left for shareholders would be small indeed.

But it is unlikely that any company will be called upon to pay this confiscatory impost. To rate that degree of taxation a company would have to be taxable to the limit under the Excess Profits Tax, and would have to start from practically negligible profits for its base four-year average under the E.P.T. Then it would have to show gains for 1940 running up to many times the base figures. Such a company, moreover, would be eligible for special consideration from the board of referees.

That's an extreme example admittedly, but many companies may have to pay 84.5% of the amount by which their taxable income for 1940 exceeds their average taxable income for the years 1936-39 inclusive, the base period for the E.P.T. This includes the regular Dominion corporation income tax at 18% in the case of companies making non-consolidated returns, plus provincial income taxation at the 5% rate prevailing in Ontario and Quebec.

If the company transacted all of its business in British Columbia or any of the prairie provinces, it might have to pay more than 84.5% of its excess income in taxation. These provinces have a sliding scale of corporate income taxation. In British Columbia, this reaches a peak of 10% when taxable income exceeds $19,000. As the provinces tax only that portion of income derived from operations within the particular province, this high rate would be limited to this proportion in the case of companies having Dominion-wide operations.

It is unlikely that many Dominion companies would do such a proportion of their business in British Columbia as to make this province's high rate the determining factor in calculating the theoretical ceiling for income taxation. A company doing business entirely in British Columbia, and having net income of $20,000 or more, would be subject to an additional 5% tax, making the potential peak 89.5% in this case.

Ontario or Quebec Rate

Ontario has a neat way of making certain that a company with head office in Ontario, and doing business in other provinces, pays at least the 5% Ontario rate even on that portion of the income derived from provinces which may have a lower basic rate.

Thus, for the purpose of making calculations to illustrate the effect of income taxes, the Ontario and Quebec rates can be taken as typical even if not the absolute ceiling.

Take the example of an imaginary Ontario company which reported a net taxable income for the base period of $100,000. This company makes its tax returns on a non-consolidated basis and thus escapes the added 2% of regular Dominion income tax imposed on companies reporting on a consolidated basis. Suppose this is a volatile business which might report a wide range of taxable income ranging from the base average of $100,000 up to 100 times that amount. How its taxation would work out is shown in the table that follows:

HOW COMPANY INCOME TAXES MULTIPLY
(Average taxable income for four years 1936-39 inclusive, $100,000, used as base for Excess Profits Tax)

Taxable Income	Dominion Taxes Normal 18%	Dominion Taxes Excess Profits Tax *	Ontario Tax 5%	Total Income Tax	Portion income going as taxes
$	$	$	$	$	%
100,000	18,000	12,000	5,000	35,000	35.00
110,000	19,800	13,200	5,500	38,500	35.00
120,000	21,600	14,400	6,000	42,000	35.00
124,242	22,364	14,909	6,212	43,485	35.00
130,000	23,400	18,450	6,500	48,350	37.19
140,000	25,200	24,600	7,000	56,800	40.57
150,000	27,000	30,750	7,500	65,250	43.50
200,000	36,000	61,500	10,000	107,500	53.75
300,000	54,000	123,000	15,000	191,000	63.66
400,000	72,000	184,500	20,000	276,500	69.125
500,000	90,000	246,000	25,000	361,000	72.5
600,000	108,000	307,500	30,000	445,500	74.25
1,000,000	180,000	553,500	50,000	783,500	78.35
2,000,000	360,000	1,169,500	100,000	1,629,500	81.47
10,000,000	1,800,000	6,088,500	500,000	8,388,500	83.88

* The greater of 12% of taxable income or 75% of amount by which profit exceeds standard taxable income less normal Dominion income tax applicable to excess profit.

This table illustrates several interesting points about corporation income taxation this year.

If the company operates in Ontario and Quebec, as the vast majority of companies in which the investing public is interested do, then it will have to pay a minimum of 35% in corporation income taxation alone.

Cut-off Line

The new E.P.T. has two schedules. Under the first schedule, a minimum of 12% E.P.T. must be paid by all companies. This, in effect, raises the regular rate of Dominion tax to 30% when added to the regular 18%. But under schedule B, a tax of 75% of the amount by which current year's taxable income is above the base average must be paid. By means of a simple — to a mathematician — formula, accountants have determined at just what level the 12% E.P.T. is abandoned and the 75% rate adopted.

Whenever a company's current year's taxable income is 124.242424% of the base period average, then the 75% rate applies. Below this rate the 12% rate is effective. Companies are required to pay the larger of the two scheduled rates.

Rate of Tax Rise Slows

Thus, if this year's income is 124% of the base average, total income taxation for non-consolidated returns will be 35%. But if the current year produces 125% of the base period's income, then the proportion of taxable income that goes to Dominion and provincial income taxation rises steadily toward the theoretical 84.5% maximum. It will never quite reach this maximum, however, because the rate of gain in proportion of income going to income taxation declines as the amount of the gain in income rises.

To illustrate: Our theoretical company pays 35% of its income in taxes when it exactly maintains its base average of $100,000. But if it should have a good year and report taxable income for 1940 of $200,000, it would have to pay 53.75% of its taxable income to the tax gatherers.

Suppose it had a very good year and reported $300,000 in taxable income, then it would have to pay 63.66% of income in taxes.

In other words, the first gain of $100,000 in taxable income meant a rise of 18.75% in the burden which income taxes laid on earnings. But the second $100,000 of gain over the base period would have meant a rise of only another 9.91%.

If this company multiplied its taxable income by five, its proportion of earnings paid as taxes would be 72.5% while, if it multiplied earnings by ten, it would pay 78.35% in income taxes. A gain of 20 times to $2 millions, would find this company paying out 81.47% of its income in taxes.

The $900,000 of gain meant a rise in taxes from 35% to 78.35% but the next million meant an additional gain of only 3.12%.

It is this curve of diminishing returns that makes it impracticable for a company to actually reach the theoretical maximum of 84.5% in Ontario.

This same kind of constant relationship between the proportion of taxable income which goes to the tax gatherers and that which is left for shareholders can be illustrated by examples taken from the reports of typical Canadian companies.

Here it is necessary to take two groups of examples. Those companies which report on a basis where all subsidiaries are consolidated with the parent company in one tax return are taxed at a slightly higher percentage than are those which do not consolidate their reports.

Selected at random to illustrate the point are Canada Wire & Cable and Simpsons Ltd. for the consolidated returns. Non-consolidated returns are illustrated by Dominion Foundries & Steel and Page-Hersey Tubes.

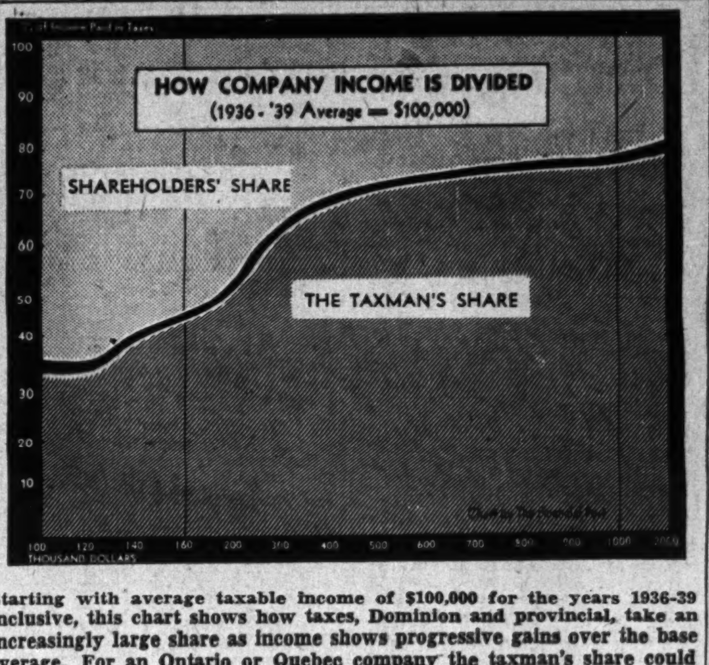
For the former group the basic rate of income taxation is 20% and for the latter, 18%.

Once more the rate of provincial income taxation prevailing in Ontario and Quebec is used as applying to the great majority of companies in which the investing public is interested.

Thus the column which shows the total income taxation which would apply if certain arbitrary increases in income were experienced, includes the regular Dominion and provincial income tax and the E.P.T. As it is assumed that the lowest rate of increase in this illustration will be 25%, this eliminates the minimum 12% E.P.T. except as it would apply to the basic average figures. The 75% rate of E.P.T. always applies where the current year's income is more than 124.24% above the base period average.

These figures are based on corporate income taxes only. They do not include the multitude of other taxes which corporations must pay.

	Taxable Income	Est. Income Tax Dom. & Prov.	Share of Net Income Paid as Income Tax	Share of Net Income Left for Shareholders
	$	$	%	%
Canada Wire & Cable Co.				
1936-39 Average	707,975	261,951	37	63
If income gains				
25%	884,969	327,438	37	63
50%	1,061,962	477,792	45	55
100%	1,415,950	778,772	55	45
Simpsons, Ltd.				
1936-39 Average	968,783	358,450	37	63
If income gains				
25%	1,210,979	448,063	37	63
50%	1,453,174	653,929	45	55
100%	1,937,566	1,065,661	55	45
Dominion Foundries & Steel Ltd.				
1936-39 Average	1,047,734	366,707	35	65
If income gains				
25%	1,309,667	462,312	35	65
50%	1,571,601	683,646	44	56
100%	2,095,468	1,126,313	54	46
Page-Hersey Tubes, Ltd.				
1936-39 Average	1,097,718	384,201	35	65
If income gains				
25%	1,372,147	484,367	35	65
50%	1,646,577	716,260	44	56
100%	2,195,436	1,180,047	54	46



Starting with average taxable income of $100,000 for the years 1936-39 inclusive, this chart shows how taxes, Dominion and provincial, take an increasingly large share as income shows progressive gains over the base average. For an Ontario or Quebec company the taxman's share could reach a theoretical peak of 84.5%.

Joint Defense Board Plans To Study Alaska Highway

From Our Own Correspondent

VANCOUVER.—Action of Japan in supporting the German-Italian axis has again turned the spotlight on Pacific coast defenses, and this month members of the international joint defense board are scheduled to meet in Vancouver and make a tour of some of the facilities already provided. It is likely that the Alaska Highway project will be given particular attention.

Opinion toward the Alaska Highway has been considerably revised since the war. In peace the road scheme was regarded as a tourist proposition, and it was criticized on the ground that tourists alone would not justify the estimated cost of more than $25 millions.

Additional criticism in those days was based on the possibility that the road might be used as a military link between the United States and Alaska in case of war.

It is this possibility that is now regarded as the chief argument in favor of the road. The events of the past few months have given new emphasis to the strategic importance of Alaska in the defense of the whole of the Pacific coast, and it is generally recognized that an all-land route to northern military outposts would be extremely desirable.

Meantime fortifications and air bases are being considerably strengthened along the Canadian and American coast of the Pacific.

B. C. Fish Hit By U. K. Rule

About $1¼ Million Worth Held Up by Delay in Import Licenses

From Our Own Correspondent

VANCOUVER.—Unless the British Ministry of Supply eases its present attitude and issues permits for import, about $1,250,000 worth of British Columbia frozen halibut and salmon will be without a ready market this year.

British importing firms confirmed contracts with several west coast packing companies for about 2.5 million pounds of frozen halibut and 5 million pounds of frozen salmon for delivery in September-October-November, but cable advices received by Canadian Fishing Co. and other packers interested indicate that the required licenses authorizing the importation will not be issued.

If the British market remains closed, the only prospective market for the fish would be the United States, but the demand there would not be nearly so great and prices would suffer from a keenly competitive market.

Packers report that canned salmon, however is moving in normal volume to the United Kingdom. This, of course, is the major item in the B. C. fish pack and its ready acceptance in the world's most important market has been reassuring to the industry.

Montreal Labor Finding Work

From Our Own Correspondent

MONTREAL.—No unemployed receiving relief from the City of Montreal within a year from now was the prospect held out by Ald. J. M. Savignac, Chairman of the Executive Committee, whose opinion is based on reports received from the Montreal Industrial Bureau.

This claim is based on the fact that six new private enterprises and six Federal munitions projects will soon get under way, utilizing the services of about 27,000 local men, of whom almost 15,000 are now on relief.

At the end of September a year ago, there were 24,782 heads of families, or 93,612 people on relief. At the end of last month, there were only 13,900 heads of families, or 52,980 people on relief.

C. N. R. Maritime Traffic Increase Anticipated

MONTREAL.—"We anticipate a considerably greater volume of traffic moving to the eastern seaboard this winter than last," S. J. Hungerford, chairman and president of the Canadian National Railways, declared at Moncton.

During his trip, Mr. Hungerford inspected the new work that has been in progress in the Atlantic region of the railway to take care of this traffic. This includes extension to the freight yards at Moncton and Truro, new locomotive-erecting shop at Moncton and a new engine terminal at Halifax.

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